

REGULAR CITY COUNCIL MEETING

March 14, 2023

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

Roll Call:

Present: Kwiatkowski, Raab, Mallory, Darling, Mills, Dodd.

Absent: Bedwin

Comments on Agenda Items Only:

- None.

Approval of Agenda and Receive and File all Communications:

- Councilwoman Darling moved to approve the amended agenda and receive and file all communications. Seconded by Councilwoman Mills. Motion carried unanimously.

Approval of Prior Meeting Minutes:

- Councilwoman Mills moved to approve the Regular City Council meeting minutes of February 28, 2023, as presented. Seconded by Councilman Kwiatkowski. Motion carried unanimously.

Departments, Board and Commissions

- Office of Emergency Management, February Report.
- Cheboygan Fire Department, February Report.

Bills and Disbursements:

- Prepaid Bills and Disbursements for the Month of February 2023.
 - Clerk Singles noted that there was a change to the prepaid report. The number of \$794,733.47 is incorrect, the correct number from the report Executive Assistant Clear ran was \$746,472.47.
 - Treasurer Byrd also commented to omit line 16 – Cheboygan County Treasurer – property tax settlement of \$56,993.42. The total will be changed to \$689,479.05.
 - Councilman Kwiatkowski moved to approve the prepaid bills and disbursements for the month of February 2023 in the amount of \$689,479.05. Seconded by Councilwoman Dodd.
 - Councilwoman Raab had a question regarding line 62 on the new prepaid report which is Rogue Industrial Industries. Councilwoman Raab wanted to clarify if that was the business that went around town and collected video footage of the sewer lines.
 - City Manager Sabolsky responded yes. That is part of the 20-million-dollar sewer project. The sewer lines were cleaned and then video taped all around the City. There

- are areas, maybe about a dozen or less, that we could not clean and get a camera through because it collapsed so much.
- Councilwoman Darling asked regarding the two health premiums; how long do we have to keep paying those.
 - Sabolsky responded that he is unsure of how old those individuals are, but that is part of the old contracts that we had. He believes the health premiums are paid until the age of 65.
 - Councilman Kwiatkowski asked for Treasurer Byrd to check on those health premiums.
 - A roll call vote was taken. Motion carried unanimously.
- Unpaid Bills and Disbursements for the Month of February 2023.
 - Treasurer Byrd asked to omit two items on the unpaid report. Those items were the semiannual State revolving fund for \$88,931.13 and April 2023 assessing services for \$4,583.33, making the new total for the unpaid bills report \$87,460.62.
 - Councilwoman Mills asked if Council will see these bills next month.
 - Byrd responded yes.
 - Councilwoman Raab moved to approve the unpaid bills and disbursements for the month of February 2023 in the amount of \$87,460.62. Seconded by Councilwoman Mills.
 - Councilwoman Raab asked what the Alerus Financial - hybrid retirement contribution was.
 - Byrd responded that it is one of the retirement accounts we have. We have two types of accounts. Part of the invoicing goes to MERS directly and the other portion, even though it says MERS on it, goes to Alerus Financial.
 - Councilwoman Raab also asked regarding the Michigan Municipal League dues. What is that amount based on.
 - Sabolsky responded that is it based on your population size and budget. Sabolsky listed a number of things the MML provides/helps us with.
 - A roll call vote was taken. Motion carried unanimously.

General Business:

- Consideration of Fireworks Display.
 - Councilman Kwiatkowski moved to hire Wolverine Fireworks Display in the amount of \$9,000 for the 2023 4th of July Fireworks Display. Seconded by Councilwoman Mills.
 - Sabolsky said that this was usually handled by the Chief of Police, going forward, it will be handled jointly between the Police and Fire Department and City staff. Sabolsky explained the change in price from years past. The DDA may help with the cost of this.
 - Councilwoman Mills asked if this was in the budget.
 - Sabolsky responded that it was.
 - A roll call vote was taken. Motion carried unanimously.
- Consideration of purchasing two 2023 Chevy Tahoes for the Police Department.
 - Councilwoman Mills moved to purchase two Chevy Tahoes from the State of Michigan MIDeal bid provided by Todd Wenzel Chevrolet not to exceed \$86,000 (ARPA Funds). Seconded by Councilwoman Darling.

- Sabolsky commented that this is the price for both of them. We can get these Tahoes and our mechanic, Erik, can do all the work regarding the lights, sirens, etc. Sabolsky explained that this is a great deal. Chief Rifenberg would be here today to answer any of Council's questions but he has headed down to Grand Rapids for family. The total for the two Tahoes and the truck (the next line item in General Business) is about \$144,000.00. In ARPA funds, we have spent 137,000.00. We tentatively have committed 135,000.00 for replacement of meters. We just started using some of that money. If we order the Tahoes and the trucks today, we probably won't see them for three months if we are lucky. With all that, we have about \$40,000.00 left in ARPA funds. The good thing regarding the meters is once we start generating enough money in that water account, we can move that money back to pay back the ARPA account if we choose to do so. This purchase allows us to move forward which Sabolsky thinks we need to do. These prices probably won't stay. The next agenda item is a truck for the Water Department. There are three trucks left in the Police Department, we will repurpose those trucks. One will go to the Recreation Department. We will keep one truck with the Police Department just in case a vehicle is in the shop, we hire another officer, etc. Sabolsky said they will surely find a purpose for the third truck.
- Councilwoman Mills asked with the purchase of all these vehicles, what will be the next big purchase/equipment that will need to be replaced.
- Sabolsky said that there is a lot of equipment that is older and needs to be replaced. We have talked about different financing options because we have not had the opportunity to put away money for the future to purchase big items.
- Sabolsky and Council discussed the future of financing.
- A roll call vote was taken. Motion carried unanimously.
- Consideration of Purchasing one 2023 GMC Sierra 3500 HD for the Water Department.
 - Councilwoman Mills moved to purchase a GMC Sierra 3500 HD from the State of Michigan MIDeal bid provided by Todd Wenzel GMC not to exceed \$58,000.00 (ARPA Funds). Seconded by Councilwoman Darling.
 - Sabolsky said that he thinks that there is a little bit of money in there for some wiring harnesses and other things that will have to be done to that truck to be able to do the work required of the Water Department.
 - A roll call vote was taken. Motion carried unanimously.
- Loan Signatory.
 - Councilman Kwiatkowski moved to allow City Manager, Daniel Sabolsky, to sign the loan documents from Citizens National Bank on behalf of the City of Cheboygan for the Cheboygan Fire Department's turn-out gear. Seconded by Councilwoman Dodd.
 - Councilman Kwiatkowski asked what the term was and the APR.
 - Sabolsky responded that it is 5% over 5 years. No closing costs, no fees. Sabolsky said that all the firefighters have been fitted for their gear.
 - A roll call vote was taken. Motion carried unanimously.

City Manager's Report:

- Sabolsky stated that moving forward, he wants to try to do more things for educational purposes for staff as well as Council. Sabolsky has been working with the Northern Lakes

Economic Alliance (NLEA) and Dave Emmel. We have a woman by the name of Susan Wenzlick from Fishbeck, which is a consulting company, coming in April 11th at 5:30. In that work session, we will be talking about Brownfields and TIFs and how to creatively use them for economic development. Sabolsky discussed the benefits of this work session. Susan will then be meeting with Byrd, Clear and Sabolsky to make sure we have been doing things correctly when it comes to Brownfield payments and things along that line.

- Regarding Tipp of the Mitt Watershed, Clear has been working with them as they are applying for a \$5,000.00 grant. On August 19th, they will be doing a river clean up whether they get the grant or not on the Cheboygan River. More details on that will be provided at a later date.
- OSHA stopped by about three weeks ago and wanted to look at how our firefighters are tested for their respirator equipment and we didn't have the policy. Chief Dailey, Clear and Sabolsky completed the Personal Protection Equipment Policy. It was given to OSHA this morning and we are compliant with that. We are now putting into place that our firefighters will have routine physicals as part of this policy.
- Regarding federal appropriations, Clear and Sabolsky have been working on this for the last few weeks. We have received support from the NLEA, the County Board of Commissioners, and the DDA. We have asked for a letter of support from the Township and one of their developers but we have not received that. We are asking for 2 million dollars to fix the sewer on Huron and Cuyler Street. The project is about 5-6 million dollars but we are asking for 2 million. It would fix the sewer on Huron to Stempky, Cuyler between Lincoln and the dead end over behind Walmart. They were advised by Senator Peters' office to only ask for what we absolutely need from one fund, so that is why we are only asking for 2 million. Senator Stabenow and Representative Bergman will also be getting the same request.
- Regarding Great Lakes Tissue (GLT), Sabolsky met with the MEDC regarding the City's loan from 1994 that we have with GLT. We originally loaned them 3 million dollars. They are down to a million and some change. We do have a second lien position; meaning the bank is first and we are second. We have that lien on the buildings and the property. Sabolsky voiced concern about some of the stuff going on down at GLT. Sabolsky met with some people at MEDC, along with Ms. Hoog and Stephen Lindsay. There is a lot of information regarding this loan. Sabolsky has three large piles of information and the MEDC has three full filing cabinets. After this discussion, the MEDC said they are going to see what they can do to help us out. Everyone here at City Hall, as well as the MEDC, that dealt with this loan has retired. It is a lot of information and hopefully it can all be sorted through soon.
- The DPW crew wanted to thank Council for purchasing the patch buggy for them as they have been using it around town. It makes their job a lot easier and faster.
- Sabolsky talked to the Drainage Commissioner today. They had a conversation regarding Eastern Avenue and about some of the ditches being blocked and other things along that line. The DPW guys are the people who will go out in April with, what is essentially a giant power washer, with hot water to jet out all the culverts. They have not done anything yet because of the weather. It has been snowing and reaching freezing temperatures.
- Stephen Lindsay has prepared a memo for Sabolsky regarding millages and also a Police and Fire levy. He has not gotten the chance to review it yet.
- Councilwoman Raab asked that in January, we borrowed \$750,000.00 from the General Fund, what is the status on that.

- Sabolsky said that he believes we used that money. It came back in and we reused it back out to cover their next draw, so we are keeping current. Sabolsky said that when that project is done, we will pay back the General Fund in full. Sabolsky said we are just recycling it. We have basically created our own revolving loan fund that we can handle draws.
- Councilman Kwiatkowski asked if it was causing any cash flow problems.
- Sabolsky said no it is not.
- Councilman Kwiatkowski asked if we are currently paying on the sewer debt.
- Sabolsky said that he thinks we have gotten one interest bill for the sewer plant. That bill was just interest, once the project is done, principle will have to be paid.
- Councilwoman Mills asked if we are still looking at June for a completion month.
- Sabolsky responded that we are looking more the end of summer.
- Councilwoman Darling asked who the new Drain Commissioner was.
- Louis Vallance responded Bill Ramsby.

City Clerk's Comments:

- Councilman Kwiatkowski asked regarding the precinct consolidation.
- Clerk Singles responded that she has yet to hear back from the State on if the Special Election will be held in August or November. She will get confirmation regarding that first and then will look into consolidation of precincts for the Special Election. Singles knows precinct consolidation was done for the Special Election had for Councilwoman Mills' and Councilwoman Darling's seats.
- Singles said if there is an August election, petitions will be due April 25th. She will reach out to the State again.

Treasurer's Comments:

- Initial Certification of Water/Sewer Liens.
 - Sabolsky explained that every year, when people are not paying their water/sewer bills, we send them a letter explaining to pay their bills or it will be put on their taxes as a lien.
 - Council commented on the high amount due in water/sewer bills.
 - Sabolsky expressed that he would like to have a conversation eventually regarding this. A lot of time and money goes into these letters and notices. One day, are we going to get to the point where we threaten to turn off water and sewer if they do not pay.
 - Councilman Kwiatkowski asked if Sabolsky has talked to Jason Karmol regarding stopping service. That creates a hardship. Last time Councilman Kwiatkowski talked to Karmol, Karmol didn't think he could shut off water/sewer.
 - Sabolsky responded that he and Karmol had a conversation recently, and Sabolsky believes that Karmol can shut off water/sewer. We have a policy regarding the matter. If Karmol gets up to full staff, it is a possibility. He doesn't want to shut off people's water and sewer, but it costs the City a lot of money.

Public Comment:

- David Martin congratulated Councilwoman Dodd for being appointed to the Council. Martin voiced his support for raising taxes. He has been in Cheboygan all his life and he has seen Cheboygan struggle. Other cities collect more in taxes and it seems those places are better off.
- Councilman Kwiatkowski asked about only being able to levy 15 mills for operating purposes; is that in the Charter or ordinance.
- Sabolsky said he would have to go back and look.
- Louis Vallance commented saying that some people do not have City services. Vallance stated that the East side is flooding right now. Vallance also voiced his concern that the Police vehicle logo and the Police badge are not the same.
- Sabolsky said that Chief Rifenberg is working with someone to design some new logos. He will be bringing those to Council soon. They would like to modernize things. Sabolsky also added that there is a modern logo for the City as well in his office.
- Sabolsky is about 1/3 of the way through the Police Department's policy and manual book.

Committee Updates:

- Councilwoman Raab said that the last Historic District Commission meeting did not have a quorum and she was sick. Sabolsky and Councilwoman Raab have been in discussion regarding what needs to be done for the CLG application, different things that Lansing needs.
- Sabolsky commented that the HDC said they had everything they needed for the CLG application and they were waiting on the ordinance, but they do not have everything they need for the CLG application. The application is not as complete as they thought it was. Sabolsky said that this will take some time because now more research has to be done.
- Councilwoman Raab said she wants to help Sabolsky with this because she knows it's a lot of research and information and that he has a lot going on at the moment.
- Councilwoman Dodd will be joining the DDA and their next meeting is April 4th.
- Councilman Kwiatkowski stated that there is a Finance Committee meeting on March 29th. They will be looking at how to increase revenues. Councilman Kwiatkowski mentioned debt service monies. He stated that the new rates took effect July 2022. A portion of that is debt service. That money is comingled with operating funds. Councilman Kwiatkowski is waiting to see how much of what we have collected from that point to this point is debt service money.
- Sabolsky said those funds will be separated towards the end of the year. From that point on, we are hoping to figure out how much we have to take out and put aside every month.
- Councilwoman Raab asked if Byrd was still working with former Treasurer, Bridget Brown.
- Byrd responded that she is for a short period of time.
- Councilwoman Mills reported that the Housing Commission met yesterday. They may be changing the day of the month that they meet because it doesn't work for everyone. Within the Housing Authority, they are down to one staff member in the office. The Compliance Manager, Hailey Jeter, has taken on as much as she can. The Housing Commissioners are still going through all the documents that have been supposedly signed obligating the Commission to spend 8 million dollars on this renovation, they are not through all that yet. The Housing Commissioner President will be contacting a young lady down in Inkster who is currently working for the Housing Authority in Inkster. She may work as an Interim Executive Director and

bring her expertise here. Councilwoman Mills is hoping to report who the next Executive Director is after the April meeting. Councilwoman Mills reported that nothing has stopped. They still have the 9% tax credit and working with a developer in Lansing to get all that paperwork done. That will take some time.

- Councilwoman Raab asked if Tom Lapka called in or attended the meeting.
- Councilwoman Mills reported he did.
- Discussion regarding Housing Authority staff commenced.
- Councilwoman Darling reported that the Parks and Recreation meeting is tomorrow. Councilwoman Darling also reported that she went to the Board of Commissioners meeting today. She thinks the Road Commission manager should come and speak to Council because he reported that the Road Commission is moving from three shifts on the State Street Bridge down to two shifts. If you want the bridge lifted after the 11:00pm shift, you would have to call.

Messages and Communications from Mayor and Council Members:

- Councilwoman Darling thanked the students from Cheboygan High School for coming to the meeting.

Adjournment:

- Councilwoman Mills moved to adjourn the meeting at 8:15pm. Seconded by Councilwoman Darling. Motion carried unanimously.

Mayor Brett Mallory

Clerk Alyssa Singles

Mayor Pro Tem Adam Bedwin

Councilwoman Diane Mills

Councilman Ken Kwiatkowski

Councilwoman Mary Darling

Councilwoman Diane E. Raab

Councilwoman Hayley Dodd