

**REGULAR CITY COUNCIL MEETING**

**May 9, 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, Mills, Dodd, Darling and Bedwin.

Absent:

**Public Comments on Agenda Items Only:**

- Louis Vallance said he is disappointed in the City for not putting in all City water needs regarding their bond. Vallance also made a comment regarding the ammo that was purchased by the Police Department. He believes this is an excessive amount of ammo being purchased.

**Approval of Agenda and Receive and File all Communications:**

- Mayor Pro Tem Bedwin made a motion to table General Business items B, C, and D – the appointments of Historic District Commissioners to a future meeting. Seconded by Councilwoman Mills.
- Mayor Pro Tem Bedwin said that the reason he is bringing this up is because per ordinance 155, two of the Commissioners shall be appointed from a list submitted by duly organized historic preservation organizations. If such a person is available for appointment, one member shall be an architect who has two years of architectural experience. Mayor Pro Tem Bedwin said that these three applicants don't qualify for those requirements and we need to search for people that do.
- Mayor Mallory said that his understanding is that there may be one available from the State, but we should probably document that we have tried to get someone with the proper qualifications onto the commission.
- City Manager Sabolsky commented that he did contact Alan Higgins from the State Historic Preservation Office (SHPO) today regarding this and he is waiting to hear back. Higgins handles the Certified Local Government (CLG) program.
- Mayor Mallory said that there isn't another HDC meeting before the next Council meeting. Mayor Mallory suggested making progress regarding this and try to get it resolved before the next Council meeting.
- Ayes from Councilwoman Darling, Councilwoman Mills, Councilman Kwiatkowski, Mayor Mallory, Councilwoman Dodd, and Mayor Pro Tem Bedwin. Nay from Councilwoman Raab. Motion carried.

**Approval of Prior Meeting Minutes:**

- Councilwoman Dodd moved to approve the Regular City Council meeting minutes of April 25, 2023, as presented. Seconded by Councilwoman Darling. Motion carried unanimously.

**Communications and Petitions:**

- Presentation of Annual Financial Report Year Ended June 30, 2022, Mr. Kevyn Kozumplik, Gabridge and Company.
  - Councilman Kwiatkowski moved to approve the Annual Financial Report for the Year Ended June 30, 2022, as presented by Mr. Kevyn Kozumplik of Gabridge and Company. Seconded by Councilwoman Mills.
  - Mr. Kevyn Kozumplik reported that the City of Cheboygan received an unmodified opinion which is the highest opinion you can receive on a financial statement. There were no major budget deficiencies to report to the State. There were no deficit fund balances in the singular funds.
  - Mr. Kozumplik discussed key parts of the Annual Fiscal Report.
  - Councilwoman Mills asked if this addresses internal controls.
  - Mr. Kozumplik said that they do audit internal controls but their opinion is on the financial statements themselves. During any audit, there is always recommendations that can be given regarding strengthening internal controls. Those aren't specifically mentioned in the audit report. If they had recommendations for internal controls, they might have been communicated during the audit. Mr. Kozumplik said he could go back and see what they found.
  - Councilwoman Mills said that the executive summary that was sent did address some of that. Councilwoman Mills told Mr. Kozumplik that she was wondering if he had anymore amplifying information.
  - Sabolsky thanked former Treasurer, Bridget Brown for her help regarding this audit. Sabolsky also thanked Treasurer Patty Byrd.
  - A roll call vote was taken. Motion carried unanimously.

**Reading of Ordinances:**

- Consideration of Water Distribution System Revenue Bond Authorizing Ordinance.
  - Councilwoman Darling moved to adopt the 2023 Water Distribution System Revenue Bond Authorizing Ordinance. Seconded by Councilwoman Raab.
  - Sabolsky said that we need this ordinance for the bond closing that will take place on the 24<sup>th</sup> of May. Sabolsky directed Council to the memo regarding Schedule A and B that is described in the ordinance.
  - A roll call vote was taken. Motion carried unanimously.

**Departments, Board and Commissions:**

- Office of Emergency Management, April Report.
- Cheboygan Police Department, January, February, March and April Reports.
  - Councilwoman Darling asked what the majority of 911 calls are for. She sees it steadily increasing.
  - Police Chief Rifenberg said that the majority of calls that they are responding to are domestic situations, disorderly crimes, calls regarding suspicious activity and traffic calls.
  - Councilwoman Mills asked regarding the property inspection numbers. Councilwoman Mills asked if these numbers reflect man hours.
  - Chief Rifenberg said yes. We will be hiring Officer Hartman back this summer. He will be working 20 hours a week to work on blight complaints. The Police Department will be

working on compliance. These complaints do take some time. Chief Rifenberg discussed the Shine-Up Cheboygan event that happened recently; the event began at 8:00am and a notice was then posted that the dumpsters were full at 9:30am.

- Sabolsky discussed how blight has been a Council concern. Sabolsky commented that Officer Wilson has left the Cheboygan Police Department and we did give a conditional offer to a cadet in the Police Academy. We will be bringing in Officer Hartman for code enforcement this summer for the months of June, July and August. Once that time frame is over, the cadet will have graduated and will be hired by the Cheboygan Police Department. Sabolsky discussed enforcing and handling blight issues.
- Councilwoman Raab asked for clarification regarding the statistics. Are those man hours or properties inspected.
- Chief Rifenberg at first said hours, but then clarified that those are properties inspected. Chief Rifenberg told Council that there have been a lot of complaints coming in recently.
- Councilwoman Darling commented that she really appreciates the Police Department's effort in attending and helping out with community events such as the Easter Egg Hunt, and the Supreme Court hearing.

#### **Bills and Disbursements:**

- Prepaid Bills and Disbursements for the Month of April 2023.
  - Councilwoman Mills moved to approve the prepaid bills and disbursements for the month of April 2023 in the amount of \$651,680.97. Seconded by Councilwoman Dodd.
  - Councilwoman Dodd asked regarding line item 49 – Hubbell, Roth and Clark, Inc for “Professional Services”. Asking if that is for the Opera House evaluation.
  - Sabolsky responded that they are also our engineers for the wastewater treatment plant. Sabolsky believes the bill Councilwoman Dodd is referring to is a bill for the new projects that are starting on Court Street.
  - Councilwoman Darling asked regarding line item 1 – AAA Steve’s Lock and Safe for “Rekey and Repair Doors”; what was the repair for.
  - Sabolsky responded that he thinks that was for the door in the front office of City Hall. This business takes care of all our locks in the City. He is unsure of the specifics, but Sabolsky knows there was a problem with the front door of City Hall.
  - Councilwoman Darling asked regarding the insurance premiums.
  - Byrd said that she did look into the insurance premiums at Councilwoman Darling’s request, but Councilwoman Darling missed the meeting that Byrd discussed her findings. Byrd will email the information to Councilwoman Darling.
  - Councilwoman Mills asked regarding line item 52 – Internal Revenue Service for “941 Tax Late Fee Sept 2022”.
  - Byrd explained that this was before she was hired. She doesn’t know how this got missed. Late fees are based on how many days it was late.
  - Councilwoman Mills said that payroll taxes should never be late because you always know when they are due and the amount.
  - Byrd agreed and said it is not an ongoing issue.
  - Councilwoman Mills asked Byrd if some internal controls have been placed so this doesn’t happen again.

- Byrd said there have been.
- Councilwoman Raab asked regarding debt service.
- Councilman Kwiatkowski said that the debt service is on the bonds that we issue. For example, the 20-million-dollar bond that we will have on the sewer system. Its typically paid twice a year. One payment is interest only, the other payment is interest and principal.
- Councilman Kwiatkowski commented that he sees some bills regarding the pool tournament; how did they make out this year.
- Byrd said that we did better than last year. Byrd discussed the success of the pool tournament.
- A roll call vote was taken. Motion carried unanimously.
- Unpaid Bills and Disbursements for the Month of April 2023.
  - Councilwoman Mills moved to approve the unpaid bills and disbursements for the month of April 2023 in the amount of \$12,252.03. Seconded by Councilman Kwiatkowski.
  - Councilwoman Mills asked regarding line item 12 – Michigan Ammo, LLC for “Police Ammunition”.
  - Chief Rifenberg stated that he purchased 2,000 rounds of ammunition. He has 9 people assigned to him, so that is 200 rounds a piece for a training that they have coming up this Thursday. Chief Rifenberg said that the cost is .36 cents a round, that is the cheapest you can buy it. The officers have gone out and only shot the qualification course. Chief Rifenberg said our officers have never done any shooting and moving, shooting at multiple targets, along with a lot of other things they are expected to do in a critical situation and we want them to be able to do those things.
  - Councilwoman Raab asked how often you have to replenish the ammo supply.
  - Chief Rifenberg responded twice a year. They shoot twice a year. Once in the spring then again in the fall. Chief Rifenberg discussed trainings for the officers.
  - Councilwoman Dodd asked regarding line item 18 – Unifirst Corporation for “Monthly Uniform Rental, March and April”; what uniforms do we rent out.
  - Sabolsky responded for the water/wastewater employees.
  - Mayor Pro Tem Bedwin asked if there was any plan for Jason Karmol to come in and give us an update on the plant.
  - Sabolsky said he can ask Karmol to come in front of Council.
  - Council and Sabolsky discussed wastewater treatment plant tours.
  - A roll call vote was taken. Motion carried unanimously.

**General Business:**

- Consideration of Appointment.
  - Councilwoman Mills moved to appoint Wesley LeMarble to the Brownfield Redevelopment Authority, term to expire April 13, 2025. Seconded by Councilwoman Darling.
  - Mayor Pro Tem Bedwin asked Sabolsky to give a short synopsis of what the Brownfield Redevelopment Authority is for the students in the audience.

- Sabolsky explained that a Brownfield is an abandoned building, structure or property that is in our community. What the Brownfield Redevelopment Authority does is provide different types of financing and grants in order to redo those building and make them viable again.
- Councilwoman Raab asked if there is an ordinance pertaining to the BRA and does it discuss the eligibility of BRA commissioners.
- Sabolsky said yes there is an ordinance and it does discuss the eligibility of being a commissioner of the authority.
- A roll call vote was taken. Motion carried unanimously.

**City Manager's Report:**

- Sabolsky reported that we were awarded a grant from EGLE. Us and the Tipp of the Mitt Watershed group were awarded this money to clean up the Cheboygan River. There will be advertisements for this clean-up coming out soon.
- Sabolsky has met the new Executive Director for the Housing Commission.
- Chief Rifenberg has reviewed Sabolsky's revisions to the Police Union's collective bargaining agreement. Sabolsky said we are trying to get our wishes on paper by going through the original draft and making changes and marking those changes so that they can be followed. Soon, the meeting will be able to be had with the Union members to start that discussion.
- Sabolsky has a meeting scheduled next week with BKC Insurance regarding our health and life insurance for our employees. This has to be done every year.
- On May 18<sup>th</sup> from 6:00pm-7:00pm, MSU Extension will be conducting a visioning session for the Main Street DDA and the City at the Library for riverfront development.
- Sabolsky reported that we have not heard anything back yet from the County regarding the grant we applied for.
- No new updates on the federal appropriations request. We have put in for two-plus million dollars into the federal budget. That money would be for Cuyler Street and Huron Street.
- Regarding the closing of the USDA Loan and issuing of bonds, that will take place May 24<sup>th</sup> at noon.
- Regarding the Walstrom's building, Sabolsky needed to update Council on that because Council gave Sabolsky the authority to review their landscape plan. Sabolsky reviewed the first draft of that landscape plan and it did not meet the goals set by Council, the Planning Commission and Sabolsky. He sent it back to them with Sabolsky's own suggestions. They are in the process of revising it. Sabolsky also informed Council that our main sewer line, that deals with the entire Eastern side of the river, runs directly under the middle of Walstrom's current building. When they put the new building up, that sewer line will be under the new building also. Sabolsky stated that we are going to be sending Walstrom some bullet points and those bullet points will discuss matters such as if a sewer line collapses, any super yacht that may fall into the hole where it collapsed, we are not liable for the damage. Also, Walstrom would provide us access if that were to occur. Karmol has been working with Stephen Lindsay regarding that. Sabolsky wants a legal agreement.
- Regarding the K-Mart building, the owner of the ends of the K-Mart building want to split off 4.35 acres behind the K-Mart building. This new parcel would be land locked, it does not touch any streets. They provided Sabolsky an easement description and that description does

not provide a width. If this property is zoned multi-family, you will need a wider area because you will have to put a driveway in, a driveway out, and infrastructure would need to be ran. Sabolsky emailed the surveyor back and let him know that we will not be approving that; the easement needs to be fixed.

- The NLEA's annual meeting is May 22nd. We do have a few extra tickets. Mayor Mallory and Councilwoman Dodd are going. If anyone on Council is interested in going, please let Sabolsky know.
- Sabolsky does have a meeting with Rehmann Group on May 19<sup>th</sup>. This will be the second meeting following up on their progress working with Byrd, Executive Assistant Clear, and Sabolsky to get our financial records modernized and sorted.
- Sabolsky told Council that he is approaching his second year on the job and there are three years in the contract. Sabolsky asked Council to evaluate him and he will provide them with the forms to do so. Then they can have a discussion regarding extending his contract.
- Councilwoman Raab asked regarding the personnel policies for the staff.
- Sabolsky said that he is in his second revision of the personnel policy right now. Sabolsky has started evaluations of his department heads, and Karmol is doing his direct reports. Sabolsky discussed evaluations and the process.
- Sabolsky will be attending an economic development conference in August in Marquette. A lot of this will be focused on housing. This conference is being put on by the Michigan Economic Development Corporation.
- Councilwoman Darling asked who evaluates Council.
- Sabolsky responded that Council's constituents evaluate Council by their votes. Council could also do self-evaluations.

**City Clerk's Comments:**

- Clerk Alyssa Singles reported that she is taking the deeds from the New Section and marking what is sold versus what is available to purchase on the New Section map. Singles is also working on digitizing the cemetery deeds.
- Sabolsky reported to Council that there is a part in the New Section where there is a large crack going through the land. We will have to do something to get that studied and looked at.
- Singles explained that the only parcels that are sellable at this time are the parcels in the middle section of the New Section. When you enter into the New Section of Pine Hill, the area off to the right is currently not sellable and then the portion where Sabolsky described the large crack is not sellable.
- Sabolsky is not sure what is causing the problem. Possibly erosion, but he is not sure. If that portion cannot be used, other options for cemetery expansion may need to be looked at.

**Treasurer's Comments:**

- Byrd reported that the new mural at Majestic Park was hung yesterday.
- Byrd told Council that the circus is this weekend at the ice rink and there are a lot of events coming up in the summer.

**Public Comments:**

- Brad Ormsbee commented that he will be taking over selling produce where Farmer Brown used to. During the permit process, Deputy Clerk, Alexandria Martin, was extremely helpful and informative. Ormsbee discussed the permit process and he is thankful for the Veteran's exemption. He had a question regarding some of the requirements for a business permit such as insurance needing to be provided and the fees of if he were a part of the Farmer's Market in Festival Square versus a stand-alone vendor on City property. Ormsbee commented regarding the odor at City Beach. He knows the problem is being worked on, but it is still unpleasant. Regarding the old co-op building, the roof has blown off that building and landed upside down, nails facing up in the alley. Ormsbee expressed his concern for the building and says it needs to be torn down.
- Sabolsky told Ormsbee that they did receive a number of complaints on that. Chief Rifenberg has contacted the owner and requested that it be cleaned up and the debris to be moved. Sabolsky believes that was completed.
- Chief Rifenberg responded yes.
- Sabolsky told Ormsbee that we cannot condemn a building as a City. Only the building department can do that as well as the health department. The City is getting a fire inspector certified to condemn buildings. Sabolsky suggested Ormsbee call the health department and report that rats are coming out of the building as Ormsbee described. Regarding the structure, Sabolsky suggested making a call to the County building department to let them know. Regarding the Farmer's Market, they are now a part of the DDA. The DDA is changing some things. Sabolsky believes that if people are looking to join the Farmer's Market, you have to pay a fee to the Farmer's Market group. The City is a sponsor of the Farmer's Market as well as the Craft Show in Washington Park.
- Louis Vallance said that on some of the Board and Commission applications, the people applying have references from out of State. To him that is alarming. He thinks all references on applications should be City residents. Secondly, Vallance said that the Straits Regional Ride bus was told by City Police that they couldn't drop people off at the doors of the Walmart.
- Chief Rifenberg asked Vallance for clarification. Chief Rifenberg has no problem with picking up and dropping off in front of the doors. Chief Rifenberg asked Vallance what officer told SRR they could no longer pick up and drop off at the door.
- Vallance said that the SRR driver told him it was a new officer and it was within the last year.
- Chief Rifenberg told Vallance to have SRR call him and he will address that.

**Council Response to Public Comments:**

- Mayor Pro Tem Bedwin told Vallance that he is also concerned about non-City residents having too much say in City government. Mayor Pro Tem Bedwin asked Vallance what his legal residence is.
- Vallance said that he has a property interest in the City of Cheboygan.
- Mayor Pro Tem Bedwin asked where Vallance lives.
- Vallance responded Grant Township. Vallance began talking about a property on Eastern Ave and the lack of City services to the house.

**Committee Updates:**

- Mayor Pro Tem Bedwin reported that the Finance Committee has not met.

- Councilwoman Raab reported that the Historic District Commission did meet. The HDC still doesn't have a full commission. Councilwoman Raab expressed that she wants Council to be cautious because last meeting, Council approved and appointed four new Commissioners for that commission, and tonight three have been tabled. She wants to be sure that Council doesn't run the risk of being seen as bias because Council appointed four members last meeting and this meeting, three have been tabled to try to follow what the ordinance says.
- Councilwoman Mills said that they have four Commissioners, so they do have quorum.
- Councilwoman Raab responded that they don't have seven Commissioners.
- Councilwoman Mills and Councilwoman Raab discussed the Historic District Commission.
- Mayor Pro Tem Bedwin said that in order to apply for the Certified Local Government, the commission will need those requirements he mentioned earlier in the meeting. Mayor Pro Tem Bedwin said that it is not bias. Council did not read the ordinance before the last meeting. Mayor Pro Tem Bedwin said it is on Council as the appointing board.
- Councilwoman Raab said that the commission is really trying to finish the CLG application and get all the things they are missing. Councilwoman Raab expressed that she wants to see the commission move forward.
- Councilwoman Dodd reported that the DDA met last week. They spoke about the Crib Light. The Cheboygan Community Foundation is willing to raise funds for the Crib Light to get it cleaned up, and to possibly get signage.
- Mayor Mallory asked if the City or the DDA is working on that.
- Sabolsky responded that both the City and the DDA will be working on that. Sabolsky said that he is trying to schedule a meeting to further discuss that. Sabolsky wants a memorandum of understanding signed by all three parties involved.
- Mayor Mallory asked if the Cheboygan Community Foundation would fund the project.
- Sabolsky responded yes. The City would do all the work in terms of making sure contractors do their job and the proper permits are obtained and the Cheboygan Community Foundation would raise the funds to do that.
- Mayor Mallory said that there were different suggestions on how to paint the Crib Light.
- Sabolsky said that DDA Executive Director Schneider did request a proposal for a company to paint the Crib Light. Sabolsky learned that City staff and jail help have painted the Crib Light in the past. Sabolsky discussed past and future improvements for the Crib Light.
- Councilwoman Dodd said that the fiscal year budget was approved for the DDA. There was a committee that did a performance review for Schneider; she had a superior rating based on the points system the DDA uses. On June 15<sup>th</sup>, there will be a dedication ceremony in Washington Park for the new mural.
- Mayor Mallory asked about the meeting at the Cheboygan Library for the riverfront. Is that including the Crib Light or only by Washington Park.
- Sabolsky said the focus for that is from the City parking lot where the ferry is, to 220 Water Street, to Washington Park.
- Councilman Kwiatkowski asked then the next Finance Committee meeting will be.
- Sabolsky said there will be a Finance Committee meeting after he meets with Rehmann Group. He wants to be able to get documents from Rehmann Group and give those to the Finance Committee.



- Mayor Mallory said if they do a performance review for Sabolsky, the Organizational Committee will take care of that.
- Councilwoman Mills said this month is Memorial month. The Veterans have a full schedule visiting cemeteries and placing flags. A full schedule for Memorial month is available at the VA office at the County building. There was a Housing Commission meeting yesterday. The new Executive Director, Kara Ostrowski, was present at yesterday's meeting. She is putting together binders of all the information the Commissioners have requested. Councilwoman Mills listed the tasks Ostrowski has taken on and completed. Councilwoman Mills discussed the restructuring of Hailey Jeter's position since Jeter was doing three jobs at once (Interim Director, Compliance Manager and Intake Specialist) and now since the Director job has been filled, a new job description will be made for Jeter's position. Councilwoman Mills reported that there was another resignation on the Housing Commission. One member of the Commission needs to be, preferably, if available, a tenant of either section 8 housing or public housing. The notice for that has gone out.
- Councilwoman Raab, Councilwoman Mills and Sabolsky discussed a letter regarding conflict of interest that the Commission is waiting for.
- Councilwoman Darling reported that the Parks and Recreation Commission meets next Wednesday at 5:00pm. Councilwoman Darling went to the Board of Commissioners meeting this morning. Their new directories are out for 2023. They gave a Citizens Life Saving Award to the men who pulled the two fishermen out of the water on Burt Lake. Councilwoman Darling reported that 911's number one issue is public safety. The County has reached a recycling service agreement with E-Recycle, LLC. The County also reported that they have some job openings. The County gave the NLEA a letter of support for their revolving loan fund application. Councilwoman Darling reported that County Administrator, Jeff Lawson, told her that as a County employee, he cannot just attend meetings, but if we want him to come to our meetings, to invite him and he will attend.

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

- Councilman Kwiatkowski asked who the contact person is for the Hometown Hero banners.
- Councilwoman Mills said to contact the VA office.
- Councilman Kwiatkowski commented that the new rates took effect July 2022. A portion of that is debt service. Councilman Kwiatkowski said that legally that money for debt service can't be comingled with operating funds, but they were. Councilman Kwiatkowski asked where Sabolsky is regarding that.
- Sabolsky said they are okay if they are in a fund that is an enterprise fund. So, if that debt service is going into an enterprise fund, they are okay. Sabolsky said that with the new July budget, we will start to have that separated, so you can see where those funds are at. That was brought to Rehmann's attention.
- Councilman Kwiatkowski asked how do you know how much of that is debt service for the water and how much of that is for the sewer. He would like to see those numbers.
- Sabolsky discussed how the numbers will be collected for that. Sabolsky said a lot of back math will need to be done. Rehmann is helping us with that.
- Councilwoman Raab asked regarding outstanding water bills if we give people an exemption on their taxes.

- Sabolsky and Karmol had a conversation recently regarding shutting off water service if the bill has not been paid. Sabolsky discussed how water debts can be hard to collect. Sabolsky also discussed how there are State programs out there that will help people with their water bill, but since we don't do shut-offs, they don't assist the resident. Sabolsky also reported that the RFQ for engineering services is done and that will be put out soon.
- Mayor Mallory said that some residents have called him regarding trash in the industrial park.
- Sabolsky said that crews were sent out to pick up what was on our property and then Chief Rifenberg and Sabolsky have reached out to the property owner's local contact.

**Adjournment:**

- Mayor Mallory adjourned the meeting at 8:34pm.

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Mayor Brett Mallory

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Clerk Alyssa Singles

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Mayor Pro Tem Adam Bedwin

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Councilwoman Diane Mills

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Councilman Kenneth Kwiatkowski

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Councilwoman Mary Darling

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Councilwoman Diane E. Raab

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Councilwoman Hayley Dodd