

REGULAR CITY COUNCIL MEETING

June 27, 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:

- Richard Lemorie commented on agenda item 6-A, Approval of Prior Meeting Minutes, prior to Council approving that, he would like to know the verbiage spoken on the water and sewer rates. He asked regarding the written public comment he submitted to Council that was included in the last meeting's packet.
- Councilwoman Raab told Lemorie that if he wants to listen to the audio version of the meeting, it is available.
- Lemorie told Council that he doesn't need to listen to the recording. He knows the water/sewer rates will be increased over the next five years. He said that there was no action taken regarding his written comment to Council.
- City Manager Sabolsky clarified the difference between 'petition' and 'public comment'. Sabolsky explained that the Council did vote on a rate increase.
- Lemorie asked why the City charges 100% for water and sewer.
- Sabolsky and Mayor Mallory explained the reasoning for the increase of water and sewer rates.
- Councilwoman Mills explained that Lemorie's concern is about rate usage; 100% of water coming in, 100% isn't going out. Councilwoman Mills said that it has been discussed in the past in numerous meetings. Trying to figure out each household's output versus the input is logistically impossible. 100% in to your house is 100% out of your house. To go and access every citizen's output will not happen.

Approval of Agenda and Receive and File all Communications:

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

Approval of Prior Meeting Minutes:

- Councilman Kwiatkowski moved to approve the Regular City Council meeting minutes of June 13, 2023, as presented. Seconded by Councilwoman Mills. Motion carried unanimously.

Public Hearing:

- Adoption of Operating Budget.
 - Public comments open at 7:09pm.
 - No public comments.

- Public comments closed at 7:09pm.
- Councilwoman Darling moved to adopt the 2023-2024 Fiscal Year Operating Budget for all funds of the City of Cheboygan. Seconded by Councilwoman Mills.
- Mr. Mike Birchmeier with Rehmann Group presented on the 2023-2024 fiscal year operating budget. Birchmeier discussed key points of the budget with Council, discussing highlights from different funds such as the general fund, equipment fund, ice pavilion operating fund, water fund and others. Council asked questions throughout Birchmeier's presentation.
- Councilwoman Darling asked regarding page two of the budget. Councilwoman Darling asked where all the money goes; she would like it itemized.
- Sabolsky explained to Councilwoman Darling that this is a quick synopsis version of the budget. Sabolsky can give Councilwoman Darling a complete breakdown of the budget. Sabolsky explained the breakdown of the 'City Manager' budget; some of his salary comes out of that, Executive Assistant Clear's salary, trainings, office supplies, benefits, etc. Sabolsky explained that we will get the budget to be more specific.
- Councilman Kwiatkowski explained that in the charter, it says that the budget needs to be a line-item budget. Councilman Kwiatkowski doesn't like the budget in this format.
- Councilwoman Darling said that she doesn't either.
- Councilwoman Mills explained that Rehmann has been working with us to get this into something we can read and understand. Councilwoman Mills said the subsets and specifics Councilwoman Darling and Councilman Kwiatkowski are asking for will come, but not before June 30th. The budget can be amended later on that shows all the subsets in there. Rehmann started only two months ago on this.
- Councilwoman Darling explained that the charter states that the budget is to be presented to Council on or before the second Monday in April. Councilwoman Darling asked where was the budget in April.
- Sabolsky explained that since he has been here and even before he was here, the budget was never done by April. Sabolsky explained that this is a line-item budget, it then boils down to how detailed do you want it.
- Councilwoman Darling stated that it is Council's responsibility to know where the funds go for the City.
- Sabolsky agreed. Sabolsky said that this budget is much better than what it was before. The City is putting money away and increasing fund balances. Sabolsky explained that this is probably the best fiduciary document that we have had in a long time that represents what we have, what we are spending on, which departments and where transfers are going and it will only get better. We only had two months to straighten this all out.
- Mayor Pro Tem Bedwin agrees with Councilwoman Darling that the budget should be done by April.
- Mayor Mallory also agreed. Mayor Mallory thinks Councilwoman Mills' suggestion of passing the budget, getting the information requested and amending as needed is the best solution.
- Sabolsky said that we are hoping to have a better-quality version of the budget within the next few months and that will be brought to Council.

- Councilman Kwiatkowski commented on his past experiences as Treasurer and how he put together the budget for five years. Councilman Kwiatkowski commented on the importance of the Treasurer position and that it needs to be filled.
- Sabolsky agreed. Sabolsky explained how City staff is working to improve the finance department.
- Councilwoman Darling asked why are we waiting three days before this budget has to be approved to approve it without being able to study it, ask questions, look at it, etc.
- Sabolsky said that we got Rehmann Group involved two months ago. Sabolsky explained that their help was needed to figure this budget out. If Rehmann wasn't hired and Clear and Sabolsky didn't devote time to this budget, we wouldn't even have what we have today. Sabolsky commented that conversations regarding the budget have been discussed at previous Council meetings.
- Council discussed the budget, the Treasurer position and the importance to move the City forward.
- A roll call vote was taken. Motion carried unanimously.

General Business:

- Consideration of Budget Amendments (Fiscal Year 2022-2023).
 - Councilwoman Mills moved to authorize City staff to make the necessary budget amendments as presented. Seconded by Councilman Kwiatkowski.
 - Councilwoman Mills asked regarding the revenues; is this the delta (meaning difference) or is this a new number. For example, with the marijuana excise tax at \$110,000, is that in addition to our 2022 budget or is that the delta.
 - Birchmeier explained the revenues. This amendment is asking to increase the revenue for marijuana excise tax by \$110,000 making a total of \$210,000.
 - Councilman Kwiatkowski asked about the supplies for the Fire Department.
 - Sabolsky explained that expense was all for the turn-out gear.
 - A roll call vote was taken. Motion carried unanimously.
- Approval of Budget (Fiscal Year 2023-2024).
 - Councilwoman Dodd moved to approve the Cheboygan Main Street Downtown Development Authority Budget for the 2023/2024 Fiscal Year. Seconded by Councilwoman Mills.
 - Councilwoman Mills clarified that the DDA is expecting to have a surplus of about \$125,000.
 - DDA Executive Director Schneider responded yes.
 - Mayor Pro Tem Bedwin asked if the City is required to give money to the DDA.
 - Discussion on the City's contribution to the DDA was had.
 - Schneider discussed that the DDA is also figuring out and learning their budgeting. Once that is all set, the DDA can go back and make an amended budget as well.
 - A roll call vote was taken. Motion carried unanimously.
- Consideration of Appointment.
 - Councilwoman Mills moved to appoint Ashley Meyers to the Downtown Development Authority Board of Directors, term to expire June 23, 2027. Seconded by Mayor Pro Tem Bedwin.

- Councilwoman Raab asked for clarification regarding applications received by the City for boards and commissions. How does the process work.
- Sabolsky explained that the openings are advertised. This application was given to Schneider. We only received one application and the DDA recommended to the City that they would like Meyers appointed. Council then votes on it. If there were more applications, they would have been brought to Council.
- Clerk Singles explained a situation where more than one application was submitted for one open seat. Both applications were submitted to Council and Council decided who to appoint.
- Councilwoman Mills asked regarding the requirements of being on the DDA Board.
- Schneider responded that you do not have to be a City resident, but you have to have an interest in a property downtown. Meyers is a business owner downtown.
- A roll call vote was taken. Motion carried unanimously.
- Consideration of Appointment.
 - Councilman Kwiatkowski moved to appoint Bruce Gauthier to the Cheboygan Library Board, term to expire June 30, 2026. Seconded by Councilwoman Raab.
 - A roll call vote was taken. Motion carried unanimously.
- Consideration of Removing Patricia Byrd as an Authorized Signatory.
 - Councilwoman Mills moved to remove Patricia Byrd as an authorized signatory agent for financial matters on behalf of the City of Cheboygan effective immediately. Seconded by Councilwoman Darling.
 - Councilman Kwiatkowski asked why this is an action item.
 - Clear stated the Citizens will not allow us to change our signature cards at the bank without Council approval.
 - Councilwoman Darling asked who the signatories are.
 - Clear said herself, Deputy Treasurer Sarah Swanberg and Sabolsky.
 - A roll call vote was taken. Motion carried unanimously.
- Rules of the Board of Directors of the Downtown Development Authority.
 - Councilwoman Darling moved to approve the amended Rules of the Board of Directors of the City of Cheboygan Downtown Development Authority. Seconded by Councilwoman Mills.
 - Schneider commented that the DDA has voted to change their meetings from the first Tuesday of the month to the third Tuesday of the month.
 - Councilman Kwiatkowski commented regarding some grammatical changes.
 - Schneider said she can make the grammatical changes.
 - A roll call vote was taken. Motion carried unanimously.

City Managers Report:

- Sabolsky reported that Fire Chief Dailey applied for a grant. we received \$5,600 for ten thermal imagers.
- Chief Dailey, Chief Rifenberg and Sabolsky met with AT&T, also known as First Net. They met with the representatives to discuss emergency communication that would work for the City. This way, in the event that cell phones were to go down, this system would allow first responders and other key City employees to continue to communicate using special towers.

- Regarding the Sparks grant, we have put in for the three additional fishing piers and paving the Children's Trail. The application has been resubmitted and we should know soon if we will receive those funds.
- Regarding employee benefits, we will be restructuring our benefits, excluding health insurance, to help attract and retain employees. Sabolsky discussed some of the changes. About \$2,800 will be saved a year.
- The repairs to the Black River Dam are almost done. The final cost was about \$37,500. City Council approved \$30,000 and we also received a \$10,000 dollar grant.
- The Police Union contract has been submitted to the Union for their review and we are currently waiting to hear back from them on that.
- Regarding re-zoning 525 E State Street, Planning Commission recommended to Council to approve the re-zoning from R-2 to B-1. That will be voted on by Council at the next Council meeting. A special use permit was also approved with the conditions of submitting a site plan, drainage plan, and the permit will be good for two years and can be extended by the City Manager. They will be using the property for a church. The church has a two-year lease.
- An Internet Social Media policy is being worked on.
- Numerous groups of indigenous people have contacted Sabolsky with some concerns because of the spelling of a word on the pocket park mural as well as the meaning of the word 'Cheboygan'. Kurt Chambers has been asked to help straighten this out. Different plaques may need to be made to honor all the groups utilizing the area historically and the different meanings of 'Cheboygan' as this was a corridor for many historically.
- For the Opera House, we will need to go over the reports from the architect and engineer. Copies have been received by Council. There are issues with the AC unit in the Opera House and possibly the computer control system for that. Johnny Green replaced a couple of belts and it is still not working right.
- We have applied for a land bank blight grant. Sabolsky discussed what we could use this grant for.
- It is about \$5,000 dollars to retrofit all the lights and replace all the bulbs in the Police Department.
- Councilman Kwiatkowski asked what the term is on the Police Union contract.
- Sabolsky responded that the one they are proposing is three years.
- Councilman Kwiatkowski asked if there will be a ribbon cutting when the wastewater treatment plant is done.
- Sabolsky said Karmol has been doing some tours. Sabolsky would like to get all the old equipment out before more tours are given.
- Councilwoman Mills asked if we are still in second lien position with Tissue Depot.
- Sabolsky said we do have a lien on that and we are in second position on the buildings and some of the equipment. Sabolsky does not know what is going on at Tissue Depot. He sees signs saying that they are hiring. He does know they are not producing anything yet.
- Councilwoman Darling asked regarding advertising for a new Treasurer.
- Sabolsky said that we are not advertising at this time. We are waiting until we get all the financials straightened out. Finding a finance person at this time is very difficult. There are many municipalities in Michigan and other States looking. Ranges for pay on those jobs are anywhere from \$70,000-\$85,000.

Public Comments:

- No comments.

Committee Updates:

- Mayor Pro Tem Bedwin reported that the Finance Committee has not met.
- Councilwoman Raab reported that the Historic District Commission has not met. They are waiting on the approval for the advertisement for the architect.
- Councilwoman Dodd reported that the DDA has not met since the last Council meeting.
- Councilwoman Mills reported that Executive Director Ostrowski brought the Commissioners a binder of all the documents that have been signed, are supposed to be signed, should be signed and need to be signed. The Commissioners are working through that. Ostrowski is still looking for Section 18 Resolution. The City still has not received the Declaration of Trust to move the project forward. The Commission is waiting on its attorney and the developers. She is making progress slowly but surely. There are two openings on the Commission.
- Councilwoman Darling said the Board of Commissioners met today. The Office of Emergency Management went to see the wastewater treatment plant. A new VA clinic will be opening in August in Indian River. They discussed moving their meetings to the evening so more people could attend, but they have tried both ways and the amount of people that show up is the same. They talked about having town meetings maybe once every six months.

Messages and Communications from Mayor and Council Members:

- Mayor Mallory asked regarding the advertisement for the Historic District Commission for the architect.
- Sabolsky responded that he believes he has the advertisement edited on his desk, but he hasn't had the chance to contact Mr. Alan Higgins from SHPO regarding the advertisement or regarding the HDC ordinance.

Adjournment:

- Meeting was moved to adjourn at 8:46pm. Motion carried unanimously.

Mayor Brett Mallory

Clerk Alyssa Singles

Mayor Pro Tem Adam Bedwin

Councilwoman Diane Mills

Councilman Kenneth Kwiatkowski

Councilwoman Mary Darling

Councilwoman Diane E. Raab

Councilwoman Hayley Dodd