

**REGULAR CITY COUNCIL MEETING**

**January 23, 2024**

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, Dodd, Raab, Mallory, Darling, Mills.

Absent: Bedwin

**Public Comments on Agenda Items Only:**

- Janet Gahn spoke regarding agenda item 8-C: Solicitation of Bids for Sale of 1061 W. US 23 Highway. Gahn asked Council some questions regarding this agenda item. Wondering if other real estate offices were contacted regarding this property and why was a real estate company was being used regarding the sale of this property. Gahn asked regarding other concerns such as ingress and egress of the property, if there was an easement for this property, and when the City acquired this property. Gahn spoke regarding a conversation she had with the Beaugrand Township Assessor regarding this property as they discussed and had questions regarding the property's history and taxes.

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

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

**Approval of Prior Meeting Minutes:**

- Councilwoman Darling moved to approve the Regular City Council meeting minutes of January 9, 2024, as presented. Seconded by Councilwoman Mills. Councilwoman Dodd abstained from voting. Motion carried.
- Councilwoman Mills moved to approve the Closed Session meeting minutes of January 9, 2024, as presented. Seconded by Councilwoman Darling. Councilwoman Dodd abstained from voting. Motion carried.

**Communications and Petitions:**

- Presentation of Annual Financial Report Year Ended June 30, 2023, Mr. Andrew Wilcoxon, Gabridge and Company.
  - Councilwoman Raab moved to approve the Annual Financial Report for the Year Ended June 30, 2023, as presented by Mr. Andrew Wilcoxon of Gabridge and Company. Seconded by Councilwoman Dodd.
  - Mr. Andrew Wilcoxon reported that the City of Cheboygan received a clean opinion which is the highest opinion you can receive on a financial statement.

- Mr. Wilcoxon discussed key parts of the Annual Financial Report. The City also received an unmodified/clean opinion on its single audit.
- Council, Treasurer Clear and Wilcoxon discussed the corrective action plan Wilcoxon mentioned in the financial report.
- Wilcoxon addressed the City's Charter and how it states that the audit is to be done 90 days after year end. Wilcoxon explained how and why that is not practical these days and recommended updating the Charter.
- A roll call was taken. Motion carried unanimously.

**General Business:**

- Consideration of Proposal for Professional Engineering Services.
  - Councilwoman Mills moved to approve Contract Number 20230764 provided by Hubbell, Roth and Clark, Inc, for the Little Black River Watershed Study and Dam Evaluations. Seconded by Councilwoman Darling.
  - Councilman Kwiatkowski asked why this wasn't put out for bid.
  - Sabolsky answered Councilman Kwiatkowski's question, referring back to the list of engineers Council approved in November of 2023. Sabolsky discussed the grant and the grant process.
  - A roll call vote was taken. Motion carried unanimously.
- Consideration of Design Engineering Proposal.
  - Councilwoman Mills moved to approve Contract Number 20231025 provided by Hubbell, Roth and Clark, Inc, regarding the Lincoln Avenue Culvert and Resurfacing. Seconded by Councilwoman Dodd.
  - Sabolsky discussed the details of this project to Council. Sabolsky told Council that he has talked with the school regarding this project. Explaining we are hoping to start this project right after school is done for the year in 2025. Council and Sabolsky discussed the importance of this project and the poor condition of that road/culvert.
  - A roll call vote was taken. Motion carried unanimously.
- Solicitation of Bids for Sale of 1061 W. US 23 Highway.
  - Councilwoman Mills moved to approve Billy Jewell of Berkshire Hathaway to advertise and collect bids, on behalf of the City, for the sale of 1061 W. US 23 Highway. Seconded by Councilwoman Dodd.
  - Sabolsky explained to Council that Jewell contacted him regarding this parcel about a year ago. Sabolsky answered some of Gahn's questions saying discussions regarding selling properties owned by the City has happened before and that Jewell approached Sabolsky regarding the property with a proposal prepared. Sabolsky explained why a real estate agent is being used instead of City Attorney Lindsay and discussed the ingress and egress concerns. Sabolsky does not know the history of the property.
  - Jewell discussed the property with Council and how he would go about selling the property on behalf of the City. Jewell said that he is not aware of the property's history.
  - Council discussed the location of the property.
  - Councilwoman Raab voiced her concerns regarding the process of selling City owned property. Discussing previous property sales, giving the property sold on Western Avenue as an example. Councilwoman Raab said that Lindsay doing the work would be

- less costly than Jewell doing the work. Councilwoman Raab discussed the property history and wondered if an environmental study has been done on the property.
- Sabolsky and Councilwoman Raab discussed the property history. Sabolsky stated he has no report or history leading to knowledge that that property was a City dump. Councilman Kwiatkowski said he has no knowledge of that being a dump site as the old dump site he knows of is by the wastewater treatment plant.
  - Council and Sabolsky discussed the process of selling the property through Jewell and a real estate company versus how properties have been sold in the past.
  - Councilwoman Darling asked if an environmental study should be done before selling. Jewell explained he knows no history of the property, and if the seller doesn't know the history of the property, they can state they don't know the history. It will be up to the buyer to get an inspection or not.
  - Councilwoman Mills expressed her support in letting Jewell sell this property.
  - Councilwoman Dodd asked regarding Jewell's market analysis.
  - Jewell explained how he collected the information and did the market analysis.
  - Council further discussed the property.
  - A roll call vote was taken. Nays by Councilwoman Darling and Councilwoman Raab. Ayes by Councilwoman Mills, Councilman Kwiatkowski, Councilwoman Dodd, and Mayor Mallory. Motion carried.

**City Manager's Report:**

- Sabolsky talked to Council regarding the recent purchase of a pickup truck for the Water Department. Another truck does need to be purchased eventually, but Sabolsky told Council that in less than six months, the price of the same truck has increased significantly.
- Sabolsky discussed the results of the recent public auction that was held online and the success the City had with that.
- Sabolsky reported Rehmann will be on the next meeting agenda to discuss financials. Clear and Sabolsky have started to look at the budget for next year.
- Sabolsky shared that he is making a list of things accomplished by the City in 2023. Sabolsky reported that this list is still in draft form, but once the list is done it will be shared with Council. Sabolsky shared some of the accomplishments from the list.

**Committee Updates:**

- Councilwoman Dodd stated that the Downtown Development Authority met on the 16<sup>th</sup>. The Coast Guard Connection Committee gave a presentation on their progress and asked about applying to be a Coast Guard City. Councilwoman Dodd reported that two new businesses are coming to downtown; a candy shop and a pet store. Executive Director Schneider is working on writing a vibrancy grant for Festival Square.
- Councilwoman Mills reported that last Tuesday, a phone conversation was had with MSHDA, HUD and others to discuss what needs to be done to get the Section 18 application completed. Councilwoman Mills reported a resolution needs to be passed to get the Mayor's letter approved, a conflict of interest needs to be resolved and filing the legal description needs to be done. Councilwoman Mills addressed rumors/talk regarding the housing project.

- Councilwoman Darling will be attending Board of Commissioners meetings again soon. Councilwoman Darling commented regarding the Chamber of Commerce dinner event.

**Public Comments:**

- Janet Gahn told Council about how her house had brown water on Sunday. Gahn called the after-hours Water Department phone number numerous times and there was no answer. Gahn shared another story regarding someone who called the after-hours Water Department number and got no answer. Gahn inquired about taxes for the BKC building owned by the DDA. Gahn also inquired about the RFQ for legal services/prosecuting attorney noting that it was posted today, that dates were changed in the RFQ, and why the bids/qualifications by those who submitted would be available upon request in March. Gahn asked if the City Council meeting has been changed from February 27 to February 28.
- Sabolsky commented that Council authorized him to advertise for qualifications and what was presented to Council was a draft. The dates were changed because Chief is on vacation and can't answer questions. Sabolsky explained why bids aren't released to the public until a certain date.
- Gahn and Sabolsky further discussed the RFQ and process for bids.
- Louis Vallance voiced his concerns regarding the current condition of the Little Traverse Conservancy property. Vallance also talked about grants and development of other communities.
- Lisa Holbern commented regarding title search for the property on US 23 Highway and asked about using a title company. Holbern brought up the codes on her water bill and how she searched the City's website. Holbern commented that she has new pipes from the road to her house and has a whole house filter and that the water is disgusting.
- Sabolsky responded that we don't do title searches in house, we do use Cheboygan Title.

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

- Councilwoman Raab asked Sabolsky regarding an email he sent about the Michigan Land Division Act. Councilwoman Raab asked if that pertained to the property behind the old K-Mart.
- Sabolsky explained that if you read the document, it explains how to split the land off. Sabolsky explained what needs to be done in order to develop.
- Councilwoman Darling said she couldn't find exactly what she was looking for within the Michigan Land Division Act and would like more information.
- Sabolsky responded explaining that Lindsay has talked with numerous people and is handling the situation. Sabolsky discussed the issue and said Lindsay will explain his ruling regarding this issue.
- Councilwoman Darling and Sabolsky further discussed.

**Adjournment:**

- Mayor Mallory adjourned the meeting at 8:38pm.

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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