



## CITY COUNCIL

November 3, 2014

A regular meeting of the City of Petoskey City Council was held in the City Hall City Council Chambers, Petoskey, Michigan, on Monday, November 3, 2014. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: William Fraser, Mayor  
Kate Marshall, City Councilmember  
John Murphy, City Councilmember  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were Acting City Manager Alan Terry, Administrative Assistant Sarah Bek, City Attorney James Murray and Phillip Robertson, The Mercer Group.

Resolution No. 18826  
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of November 3, 2014, City Councilmember Marshall moved that, seconded by City Councilmember Dittmar adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the October 20, 2014 regular-session City Council meeting be and are hereby approved; and

BE IT FURTHER RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since October 20 for contract and vendor claims at \$699,940.75, intergovernmental claims at \$134,734.58, and the October 23 payroll at \$169,376.36, for a total of \$1,004,051.69 be and is hereby acknowledged; and

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)  
NAYS: None (0)

Hear Public Comment

Mayor Fraser asked for public comments and there were no comments.

Hear City Manager Updates

The Acting City Manager reported that DPW will start the final citywide leaf pickup on Wednesday and end by Friday, November 7; that the changeover of electrical lines on Arlington Avenue from overhead to underground continues and that there were some issues with Charter and AT&T; and that there was a water main break this morning on Lake Street near the County building.

Resolution No. 18827  
Confirm Special Assessment  
Roll; Schedule Hearing

The Acting City Manager next reported that, following City Code provisions that regulated the City's special-assessment procedure, the City Council on October 20 conducted a public hearing and received comments concerning an September 29 report by the Acting City

Manager that had recommended the levy of special assessments against eligible, non-residential properties within the Downtown Management Board's territory to offset costs of programs and services that would be provided by the Downtown Management Board during 2015. Such revenues and expenditures have been included within the City's proposed 2015 Annual Budget.

Following the October 20 public hearing, the City Council, again in accordance with City Code special-assessment procedures, conditionally approved the proposed programs and services and their costs as they had been presented, established boundaries of the special-assessment district, and requested that an assessment roll be prepared by the City staff and presented to the City Council for its review at the November 3 City Council meeting.

The Acting City Manager reported that the City Council had been provided a proposed special-assessment roll based upon the Downtown Management Board's September 16 recommendation that the same special-assessment formula that had been used last year for financing downtown-area programs and services again be used, with \$0.16 being the amount that would be assessed per square foot of useable, first-floor, non-residential building area; \$0.04 being charged useable, non-residential area on floors other than the first floor ; and vacant, unimproved lots being charged \$0.05 per square foot for lot area. To meet City Code requirements, the City Council was being asked to adopt a proposed resolution that would confirm the City Council's acceptance of the roll, order that the roll be placed on file at the City Hall for inspection, and schedule a public hearing for 7:00 P.M., Monday, November 17, to receive comments concerning this proposed special assessment.

City Councilmember Wills then moved that, seconded by City Councilmember Murphy adoption of the following resolution:

WHEREAS, at its regular meeting of October 6, 2014, the City Council reviewed a report by the City Manager dated September 29, 2014, as required of City Code provisions, that listed programs and services that had been proposed to be provided property owners and tenants within the Downtown Management Board's territory along with a proposed assessment formula that could be implemented to finance such programs and services during 2015; and

WHEREAS, following that review, the City Council on October 6, 2014, scheduled a public hearing for October 20, 2014, to receive comments concerning proposed programs and services as intended to be provided by the Downtown Management Board, as well as costs that had been estimated by the Downtown Management Board for providing such programs and services; and

WHEREAS, City Council, on October 20, 2014, approved proposed programs and services as recommended by the Downtown Management Board at their September 16, 2014 meeting and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at the same rate as last year that are coterminous to those of the Management Board's territory; and

WHEREAS, in addition to approving proposed downtown-area programs and services and costs of such programs and services, the City Council directed the City staff to prepare a special-assessment roll in accordance with the City Council's approval of recommended programs and services and costs of such programs and services for presentation to the City Council at its meeting of November 3, 2014; and

WHEREAS, in response to the City Council's direction, and in accordance with City Code provisions that regulate special-assessment procedures, the City staff has provided a proposed special-assessment roll:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby accepts the assessment roll as prepared by the City staff and as presented to the City Council; and

BE IT FURTHER RESOLVED that the City Council does and hereby orders that said special-assessment roll be placed on file with the City staff and made available for inspection by the public; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 17, 2014, to receive comments concerning this proposed special-assessment roll; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to publish a notice of the November 17, 2014, public hearing and notify potentially-affected property owners of said public hearing as required by City Code provisions that regulate the City's special-assessment procedures.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Discuss City Manager Hiring Process

The Acting City Manager reviewed that Council at their October 20, 2014 meeting requested an agenda item for the November 3, 2014 meeting to discuss the roles of each participant involved in the City Manager hiring process. Those participants being the City's consultant Phillip Robertson of the Mercer Group, City Attorney James Murray of Plunkett Cooney, City staff and City Councilmembers. There was some discussion based on the outcome of the recent City Manager hiring process to review who should be involved in the process, what duties should be performed by those involved, what information will be requested, who will receive the information and in what form will the information be delivered.

City Councilmembers discussed the Mercer Group's 7 step process they perform when selecting candidates including position analysis, recruitment process, resume review, candidate screening, background investigation, interview process and negotiation and follow-up; discussed the City Attorney's role and background check options; and staff's roles throughout the process. Councilmembers concurred that background information from both the Mercer Group and Plunkett and Cooney be available prior to the interviews; that the meet and greet and city tours with staff is valuable, but that staff would not be part of the interview process; and that the deliberation process may be altered so there was a day to reflect after the interviews.

Councilmembers further discussed the tentative schedule and application deadline with the possibility of extending if need be.

Mayor Fraser asked for public comments and heard a comment on the process and that background checks could be done prior to negotiating and that Council communication should be done openly.

Resolution No. 18828  
Report about 2015 Annual Budget;  
Schedule Public Hearing

The Acting City Manager next reported that, as required of City Charter provisions, and as part of the City's routine, yearly process, the City Council had been presented with the City's proposed 2015 Annual Budget as part of November 3 meeting-agenda materials, that totaled \$26,685,700 in proposed operating and capital expenditures; and that, except to acknowledge its receipt, no action concerning the proposed budget now would be required of the City Council, but that, in addition to the Acting City Manager's summary of the proposal, the City Council could begin discussions on the proposed budget.

The Acting City Manager also reported that, as the first step in the budget-preparation process, the City Council was being asked to acknowledge receipt of the budget proposal and to adopt a proposed resolution that would schedule a November 17 public hearing to receive comments concerning the proposed budget and property-tax-millage rates that would be recommended as part of the proposed budget; and that the City Council could schedule the public hearing for any date that it chose, but that November 17 was suggested. The Acting City Manager briefly reviewed the General Fund and various aspects in revenues, expenditures, taxable values and cost cutting measures that had been taken.

In response to questions from Council the Acting City Manager noted that the 1% tax administration fee is part of the overall budget and any changes to that item would affect the General Fund's budget; reviewed the City debt information scheduled; and will include the administration fee as a separate item on the next agenda.

Mayor Fraser asked for public comments and heard a comment that if Council considers cutting the tax administration fee then they should have alternative funding sources in place; what the target amount is for cash reserves; and what role is City's financial engagement for Sunset Square.

City Councilmember Wills then moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, as required by City Charter provisions, the City Manager has presented for the City Council's consideration the City's recommended budget for fiscal 2015; and

WHEREAS, City Charter provisions also require that a public hearing be conducted to receive comments concerning the proposed annual budget; and

WHEREAS, this proposed budget includes certain recommendations by the City Manager concerning the amounts of property-tax millage to be levied to partially finance City operations, programs, services, and projects during 2015; and

WHEREAS, the Michigan Truth-in-Taxation Act requires that public hearings be conducted to receive comments concerning proposed property-tax-millage rates, if such rates result in increased tax revenues, when compared with those of the previous year, and although rates that have been recommended by the City Manager are not expected to provide revenues in 2015 in excess of revenues that were received in 2014, the City wishes to conduct such a hearing:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 17, 2014, at the City Hall, to receive comments concerning the City's proposed 2015 Annual Budget and property-tax-millage rates that will be recommended to be levied during 2015 as part of the proposed budget.

Said resolution was adopted by the following vote:

AYES: Marshall, Murphy, Dittmar, Wills, Fraser (5)

NAYS: None (0)

Hear Council Comments

Mayor Fraser asked for Council comments and heard from City Councilmember Wills and Dittmar that they both recently completed the Citizen's Academy administered by the Department of Public Safety and that it was worthwhile; and Mayor Fraser reminded everyone of the election tomorrow.

There being no further business to come before the City Council, this November 3, 2014, meeting of the City Council adjourned at 8:50 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer