



CITY COUNCIL

December 1, 2014

A regular meeting of the City of Petoskey City Council was held in the City Hall City Council Chambers, Petoskey, Michigan, on Monday, December 1, 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, Director of Public Works Michael Robbins, City Planner Amy Tweeten and Administrative Assistant Sarah Bek.

MDOT Presentation on US-31/ Charlevoix Avenue Project

MDOT representatives Jason Gailitis and Jason Bodell gave a brief presentation on the US-31/Charlevoix Avenue project that will occur in 2015. The presentation focused on US-31 lane improvements from Eppler Road to US-131. The representatives reviewed costs; timeline and scope of work; proposed detour for eastbound traffic from Eppler Road to Sheridan Street with hopes of the detour to be completed by July 4; reviewed lane reconfigurations; left turns; cross-traffic conflict points; safety benefits from 4 lanes to 3 lanes; and potential disadvantages and benefits of the improvements.

City Councilmembers commented on and discussed with MDOT representatives the difficulty to pass on US-31 and how the improvements would improve traffic flow; if radius had been established for left hand turn near Rite-Aid; concerns with synchronization and timing on lights at the US-31/US-131 intersection especially for southbound traffic; how the perception has changed to reduce traffic lanes vs. a bypass; inquiry on traffic data collected; left turns at Rite-Aid and Walgreens; the control of head on accidents in left turn lanes when east/west traffic are both using same lane; improving of City streets involved in the detour; and if the four-way stop intersections would change at Greenwood and Sheridan.

Mayor Fraser asked for public comments and heard comments on advantages and disadvantages of performing construction work 24 hours per day; timeline of project; if cars will be driving on shoulder for all four miles along Bay Harbor; and if there will be any passing opportunities.

Resolution No. 18833 Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of December 1, 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 November 17, 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 November 3 for contract and vendor claims at \$829,217.33, intergovernmental claims at \$97,520.01, and the November 20 payroll at \$169,651.41, for a total of \$1,096,388.75 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 heard from Judy Hills, 575 Hillcrest Avenue, on the status of the City Manager search.

Hear City Manager Updates

The Acting City Manager reported that the City Manager application deadline ended December 1 and that 46 applications were submitted with 11 leading candidates to be reviewed at the December 15 meeting with the consultant; that the annual Chamber of Commerce Breakfast for Champions is Tuesday, December 9; and that Petoskey's Open House is 6:00 P. M., Friday, December 5.

Resolution No. 18834
Approve 2015 Annual Budget

The Acting City Manager reviewed that following a brief presentation at the November 3 City Council meeting concerning the City's recommended 2015 Annual Budget, City Council scheduled a public hearing for November 17 to receive comments concerning both the budget recommendation and property tax millage rates that are proposed within it, the former being a requirement of the City Charter and the latter being mandated by State law. Following the public hearing, City Council further discussed the budget and eliminated the property tax administration fee from the General Fund budget and directed the use of cash reserves to balance the 2015 budget.

The Acting City Manager also reviewed that added to the list of changes from the last Council meeting is a charge for the final meter reading taken when a customer terminates service from the City. With the large number of rental units in Petoskey final reads range from 80 to 100 per month.

City Councilmembers inquired on utility rate provisions in the resolution and the Acting City Manager reviewed that it is standard language that has been in past resolutions for years and that it gives the City flexibility on the distribution side of the electric utility service.

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

WHEREAS, as required of City Charter provisions, the City Manager has presented to the City of Petoskey City Council the City's proposed annual budget for 2015; and

WHEREAS, as also is required of City Charter provisions, the City Council on November 17, 2014, conducted a public hearing to receive comments concerning these proposed budgets for the City's various funds:

General Fund

January 1, 2015 Fund Balance	\$ 3,525,095
Revenues	<u>7,686,600</u>
Expenditures:	
General Governmental Services	1,586,800
Public Safety	2,910,100
Public Works	614,700
Recreation and Cultural	<u>2,719,200</u>
Total Expenditures	<u>7,830,800</u>
December 31, 2015 Fund Balance	<u>\$ 3,380,895</u>

Major Street Fund

January 1, 2015 Fund Balance	\$ 193,754
Revenues	644,900
Expenditures	<u>588,700</u>
December 31, 2015 Fund Balance	<u>\$ 249,954</u>

Local Street Fund

January 1, 2015 Fund Balance	\$ 183,043
Revenues	630,500
Expenditures	<u>564,600</u>
December 31, 2015 Fund Balance	<u>\$ 248,943</u>

General Street Fund

January 1, 2015 Fund Balance	\$ 605,403
Revenues	1,102,000
Expenditures	<u>1,077,800</u>
December 31, 2015 Fund Balance	<u>\$ 629,603</u>

Tax Increment Finance Authority Fund

January 1, 2015 Fund Balance	\$ 1,069,802
Revenues	267,000
Expenditures	<u>230,000</u>
December 31, 2015 Fund Balance	<u>\$ 1,106,802</u>

Library Fund

January 1, 2015 Fund Balance	\$ 645,052
Revenues	1,151,800
Expenditures	<u>1,132,700</u>
December 31, 2015 Fund Balance	<u>\$ 664,152</u>

Library Endowment Fund

January 1, 2015 Fund Balance	\$ 15,990
Revenues	10,100
Expenditures	<u>10,000</u>
December 31, 2015 Fund Balance	<u>\$ 16,090</u>

Downtown Management Fund

January 1, 2015 Fund Balance	\$ 169,843
Revenues	134,000
Expenditures	<u>133,700</u>
December 31, 2015 Fund Balance	<u>\$ 170,143</u>

Downtown Parking Fund

January 1, 2015 Retained Earnings	\$ 582,728
Revenues	433,400
Expenses	<u>332,200</u>
December 31, 2015 Retained Earnings	<u>\$ 683,928</u>

Right-of-Way Fund

January 1, 2015 Fund Balance	\$ 614,352
Revenues	1,592,000
Expenditures	<u>1,552,000</u>
December 31, 2015 Fund Balance	<u>\$ 654,352</u>

Electric Fund

January 1, 2015 Retained Earnings	\$21,783,377
Revenues	11,045,700
Expenses	<u>10,828,700</u>
December 31, 2015 Retained Earnings	<u>\$22,000,377</u>

Water and Sewer Fund

January 1, 2015 Retained Earnings	\$ 14,202,804
Revenues	5,325,100
Expenses	<u>4,764,500</u>
December 31, 2015 Retained Earnings	\$ <u>14,763,404</u>

Motor Pool Fund

January 1, 2015 Retained Earnings	\$ 2,586,182
Revenues	904,900
Expenses	<u>992,500</u>
December 31, 2015 Retained Earnings	\$ <u>2,498,582</u>

Building Authority Marina Improvements Bond Fund

January 1, 2015 Fund Balance	\$ 10,156
Revenues	86,100
Expenditures	<u>85,600</u>
December 31, 2015 Fund Balance	\$ <u>10,656</u>

Building Authority Bear River Valley Improvements Bond Fund

January 1, 2015 Fund Balance	\$ 15,249
Revenues	220,100
Expenditures	<u>213,100</u>
December 31, 2015 Fund Balance	\$ <u>22,249</u>

WHEREAS, following the public hearing to receive comments concerning the proposed 2015 Annual Budget and its consideration of the proposed budget, the City Council wishes to approve the proposed budgets of these various City funds; and

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2015 Annual Budget as presented by the Acting City Manager and as summarized in this resolution; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to declare certain obsolete City owned personal property as surplus and to arrange for its sale or disposal; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to make adjustments among line item appropriations so long as the total expenditure budget for the assigned fund is not exceeded: and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to negotiate with and establish certain rates for electric-utility customers as might be deemed appropriate in response to on-going utility-industry restructuring efforts; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to continue the City's participation in the various feasibility studies that are conducted by the Michigan Public Power Agency or to join in with other studies, service committees, or projects that would be established by the Agency, such as those related to power-supply issues, or those that would meet municipal electric-system needs; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to work with other municipally-owned electric utilities to study the feasibilities of satisfying short- and long-term power-supply needs; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to work through Michigan Public Power Agency to identify and enter into power purchase agreements or transactions to satisfy power supply needs, consistent with the Energy Services Risk Management Policy as adopted by the City of Petoskey; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to enter into agreements with the Michigan Department of Transportation for participating costs and fees associated with the installation and maintenance of Traffic Signal Mast Arm Poles, Mast Arms and Signal Components at the intersections of US-31 and Sheridan Street, and US-31 and US-131; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to enter into agreements with the Michigan Department of Transportation for participating costs and fees associated with water and sanitary sewer system improvements related to MDOT's reconstruction of US-31/ Charlevoix Avenue; and

BE IT FURTHER RESOLVED the rates and charges for services, fees, permits, licenses and the like and as listed in the City's Schedule of Rates and Charges and as attached to this resolution are approved and authorized to be charged and collected as applicable; and

BE IT FURTHER RESOLVED that the various parts, sections, and clauses of this resolution are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the resolution shall not be affected thereby.

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 on electric utility article in current MPPA magazine concerning Marquette's power plant being taken offline and that Petoskey needs to stay ahead of possible lack of generation of power; City Councilmember Murphy thanked the students in the audience for attending; City Councilmember Marshall had an inquiry on the informational memo regarding Sunset Square property and rezoning a section to CBD and what ZBA can do regarding variance requests; and Mayor Fraser commented that Petoskey's Open House is this Friday with hopes of good weather.

There being no further business to come before the City Council, this December 1, 2014, meeting of the City Council adjourned at 8:30 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer