



CITY COUNCIL

December 21, 2015

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, December 21, 2015. 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 City Manager Robert Straebel, Clerk-Treasurer Alan Terry and Downtown Director Becky Goodman.

Resolution No. 18921  
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of December 21, 2015, City Councilmember Dittmar moved that, seconded by City Councilmember Murphy adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the December 7, 2015 regular-session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since December 7 for contract and vendor claims at \$624,078.93, intergovernmental claims at \$0, and the December 17 payroll at \$173,854.74, for a total of \$797,933.67 be and is hereby acknowledged.

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.

serve  
Local

Hear City Manager Updates on the Board of Directors for the Michigan

Government Manager's Association (MLGMA) for 2016 and accepted the nomination; that the Public Participation Plan and Non-motorized Plan was distributed for review and will be discussed at the January 4, 2016 meeting and both have been recommended by the Planning Commission; that employee pensions will be discussed with a MERS representative and City staff in early to mid-January for City Council to consider options by February; and that he would be on vacation during the holidays, but checking in periodically and that Alan Terry, Clerk-Treasurer will be available as Acting City Manager.

Resolution No. 18922 – Support Emmet County’s Expanded Recycling Program

The City Manager reviewed that Emmet County Recycling staff are initiating a new program with 64-gallon recycling carts to enhance the recycling rate within Emmet County. The carts would be used for recycling paper, boxes and bags. Emmet County received one MDEQ grant to purchase 1,800 roll out recycling carts and another challenge grant to supply the entire County with roll-out recycling carts contingent upon financial support from other recycling partners. Emmet County is seeking a one-time payment from the City of \$5 per household, or \$11,140 to provide financial support. The City has approximately \$171,000 in Refuse Collection Reserve Balance that could be used for this purpose. The carts are estimated to cost between \$40-45 per cart. There will be no charge to residents for the carts. To date, Bear Creek Township, Little Traverse Township and the City of Harbor Springs have voiced financial support for the program.

Elisa Seltzer, Emmet County DPW Director, gave a brief presentation and reviewed that the County received a State grant; that curbside pickup is the best recycling practice because it is easiest to do; that when recycling bins are full people tend to throw away recyclables; that lids will be available for smaller totes; and that carts will be delivered to each household.

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

WHEREAS, Emmet County Recycling has requested the City of Petoskey support an expanded recycling program for City residents; and

WHEREAS, utilizing the proposed 64-gallon recycling carts will increase the recycling rate within the City and throughout Emmet County; and

WHEREAS, Emmet County Recycling has been successful in obtaining a \$82,000 grant from the MDEQ and is pursuing additional grant funds to offset initial purchase costs of the new recycling carts; and

WHEREAS, future grant funding will need to show strong financial support from various units of government served by Emmet County Recycling; and

WHEREAS, there are adequate reserve funds in Refuse Collection to pay for the City of Petoskey’s matching funds for future grant funding; and

WHEREAS, the City of Petoskey strongly supports environmentally sustainable practices and partnering with other units of government in Emmet County:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does hereby support Emmet County’s Expanded Recycling Program and commits \$11,140 towards matching grant funds to offset purchase costs of new 64-gallon recycling carts for City of Petoskey residents.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Discussion of Position Statement Concerning 200 East Lake St. Property

The City Manager reviewed that goal three of the City’s adopted Action Plan addresses diversifying and strengthening the City’s economic base. Strategy Three states the City should “articulate a policy, even a general framework if necessary, governing the City’s position on supporting development/redevelopment efforts through incentives of various kinds.”

The DMB recently approved a Position Statement regarding economic development and parking needs for 200 East Lake Street. The Position Statement is crafted to spur development of the downtown block and fully define what economic development incentives the DDA and City may support if certain criteria are met. The statement emphasizes the importance of developing a strong public/private partnership through the use of a Brownfield TIF that could be a critical financial mechanism to fund private and/or public parking. From the developer's perspective, the statement will minimize some of the ambiguity of what the City and DDA may support assisting to define future project feasibility for developers. Brownfield TIF's are a common and powerful funding mechanism used throughout Michigan and the United States to encourage development/redevelopment of large, complex and costly developments.

The Position Statement does not commit either the DDA or City to any economic development incentives. Although certainly not a solution, the statement should assist staff in articulating what types of economic development options the DDA and City Council may support if certain criteria are met.

City Councilmembers discussed the position statement:

The Downtown Management Board (DMB) and Petoskey City Council recognize that development of the 200 East Lake Street site is a very complex and expensive undertaking requiring a strong private/public partnership. To this end, development of the site will likely involve implementing a Brownfield Redevelopment Tax Increment Finance plan to fund certain aspects of the project. Currently, the site has a Tax Increment Financing (TIF) mechanism in place that was adopted by the City of Petoskey's City Council and DMB. The existing TIF would need to be waived by the DMB and the City Council as part of establishing a new Brownfield Redevelopment TIF for any proposed development.

To provide guidance and to encourage development, the DMB and City Council present the following position statement regarding development of the site.

The DMB and City Council will examine all aspects of the development plans in making their decisions on whether to revoke the current TIF in consideration of adopting a Brownfield Redevelopment TIF.

Strong consideration for support of a Brownfield Redevelopment TIF will be given to a plan that incorporates the following items:

1. Development to provide sufficient parking to meet all of the private parking needs necessitated by the proposed uses at 200 East Lake Street.\*
2. Development to provide sufficient public parking in an amount agreeable to both the DMB and City Council.\*
3. A minimum investment of \$30 million.
4. A funding mechanism for providing additional public parking off- site.
5. A strategy for shared maintenance and enforcement of the on-site parking area.
6. A variety of mixed uses such as a hotel/conference center, residential units and commercial and retail space.

\*Shared parking may be considered to satisfy both private and public parking needs.

City Councilmembers discussed various aspects of the statement and other possible incentives that could be included, along with receiving input from the Planning Commission. This matter was tabled for further discussion at a future City Council meeting.

Resolution No. 18923  
Adopt Budget Amendments

At the end of each fiscal year, the City Council is routinely asked to formally adopt amendments to the Annual Budget. These amendments are necessitated by a variety of circumstances, and in many cases are

administrative changes to formally reflect previously approved actions and priorities. The Clerk-Treasurer reviewed the proposed amendments.

The General Fund revenue increase is to record the FEMA grant awarded to the City that will go towards the purchase of Self Contained Breathing Apparatus (SCBA) for the Department of Public Safety. The two areas being adjusted within expenditures first includes General Governmental Services for adjustments to personnel and contracted services in the election, accounting and assessing activities. Public Safety is the second area, which includes reductions to various personnel line items along with an increase in equipment for the purchase of SCBA's.

The Library Fund revenue adjustment is to account for higher than expected distribution of penal fines through the State and the offsetting adjustment to expenditures is for information technology replacements and upgrades to computer equipment.

The Downtown Management Fund expenditure adjustment is for outdoor movie projection equipment approved for purchase by the Board with the purchase funded with cash reserves.

The City Council was being asked to adopt the resolution that would amend total budget amounts of 2015 for these three funds.

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

WHEREAS, at the close of the City's 2015 fiscal year, the City staff has determined that expenditures within three City funds are anticipated to differ from amounts that had been budgeted for:

NOW, THEREFORE, BE IT RESOLVED that expenditures within the General Fund, Library Fund and Downtown Management Fund be adjusted as follows:

	<u>Original</u>	<u>Amendment</u>	<u>Difference</u>
<b>General Fund</b>			
Revenues	<u>\$ 7,686,600</u>	<u>\$ 7,819,300</u>	<u>\$ 132,700</u>
Expenditures:			
General Governmental Services	\$ 1,586,800	\$ 1,629,300	\$ 42,500
Public Safety	2,910,100	3,000,300	90,200
Public Works	614,700	614,700	0
Recreation and Cultural	<u>2,719,200</u>	<u>2,719,200</u>	<u>0</u>
Total Expenditures	<u>\$7,830,800</u>	<u>\$ 7,963,500</u>	<u>\$ 132,000</u>
<b>Library Fund</b>			
Revenues	<u>\$ 1,151,800</u>	<u>\$ 1,179,800</u>	<u>\$ 28,000</u>
Expenditures	<u>\$ 1,132,700</u>	<u>\$ 1,160,700</u>	<u>\$ 28,000</u>
<b>Downtown Management Fund</b>			
Expenditures	<u>\$ 133,700</u>	<u>\$ 146,600</u>	<u>\$ 12,900</u>

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 18924  
Approve 2016 Meeting Schedule

The City Manager next reviewed the proposed City Council meeting schedule for 2016 and noted three cancellations due to the same timing of the school's spring break, 4<sup>th</sup> of July holiday and Labor Day holiday.

The City Manager also noted that dates are flexible if any Councilmembers had concerns.

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

WHEREAS, Section 4.4 of the City Charter governing City Council meetings requires the City Council to meet regularly, preferably in the City Council Chambers in the City Hall, on the first and third Mondays of each month; and

WHEREAS, due to the holidays certain scheduling conflicts preclude the City Council from holding meetings on the first and third Mondays of each month; and

WHEREAS, the City Council desires to establish a regular meeting schedule in accordance with the requirements of Section 4.4 of the City Charter for the 2016 calendar year:

NOW, THEREFORE, BE IT RESOLVED that the City Council shall hold its regular meetings in the City Council Chambers in the City Hall on the following dates in 2016:

- |  |                            |
|--|----------------------------|
| Monday, January 4, 2016                | Monday, January 18, 2016   |
| Monday, February 1, 2016               | Monday, February 15, 2016  |
| Monday, March 7, 2016                  | Monday, March 21, 2016     |
| Monday, April 4, 2016 (No Meeting)     | Monday, April 18, 2016     |
| Monday, May 2, 2016                    | Monday, May 16, 2016       |
| Monday, June 6, 2016                   | Monday, June 20, 2016      |
| Monday, July 4, 2016 (No Meeting)      | Monday, July 18, 2016      |
| Monday, August 1, 2016                 | Monday, August 15, 2016    |
| Monday, September 5, 2016 (No Meeting) | Monday, September 19, 2016 |
| Monday, October 3, 2016                | Monday, October 17, 2016   |
| Monday, November 7, 2016               | Monday, November 21, 2016  |
| Monday, December 5, 2016               | Monday, December 19, 2016  |

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 18925  
Recess to Closed Session

City Council was being asked to adopt a resolution that would recess to a closed session pursuant to Section 8(c) of the Michigan Open Meetings Act for strategy and negotiation sessions connected with the negotiation

of a collective bargaining agreement if either negotiating party requests a closed hearing concerning part-time Public Safety employees represented by the Fraternal Order of Police Labor Council (FOPLC).

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

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to Section 8(c) of the Michigan Open Meetings Act for discussion connected with the negotiation of a collective bargaining agreement following the conclusion of routine business at the City Council's special meeting of December 21, 2015:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session for discussion connected with the negotiation of a collective bargaining agreement.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Recessed to closed session at 8:00 P.M. and reconvened into open session at 8:27 P.M.

Resolution No. 18926 – Approve Union Contract for DPS Part-Time Employees

City Councilmembers reviewed provisions of the first unionized agreement for part-time Public Safety Officers as represented by the Fraternal Order of Police Officers Labor Council.

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

WHEREAS, certain Department of Public Safety unionized staff members are represented by the Fraternal Order of Police Labor Council (FOPLC); and

WHEREAS, City and bargaining unit representatives negotiated provisions of a proposed agreement for part-time Public Safety staff members; and

WHEREAS, the City Manager now has reported that a tentative agreement has been reached with the part-time FOPLC for the period of December 21, 2015 through December 31, 2017:

NOW, THEREFORE, BE IT RESOLVED that the City Manager be and is hereby directed to execute on behalf of the City an employment agreement with part-time Department of Public Safety staff members who are represented by the Fraternal Order of Police Labor Council.

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 City Councilmember Murphy commented on how quickly staff worked to cleanup up the downtown following the

Downtown Open House, which was very well attended.

There being no further business to come before the City Council, this December 21, 2015, meeting of the City Council adjourned at 8:30 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer