



## CITY COUNCIL

April 18, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Main Floor Lobby, Petoskey, Michigan, on Monday, April 18, 2016. 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  
John Murphy, City Councilmember  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: Kate Marshall, City Councilmember

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry, City Planner Amy Tweeten, Director of Public Works Michael Robbins and City Attorney James Murray.

Hear Michigan Public Power  
Supply Presentation

Representatives Brent Henry and Pat Boulin from Michigan Public Power Association (MPPA) gave a brief presentation consisting of MPPA's structure and principles, power supply strategies, the City's relationship with MPPA and what they do for the city and other miscellaneous items relative to member services.

Mr. Boulin reviewed project based agencies and that municipalities can belong to whatever projects they decide to be involved with; joint action principles which are similar needs aggregated to provide scale to become more efficient; that credit risk is better through aggregation; and reviewed the network grid and that some municipalities produce more or less than others based on efficiencies.

Mr. Henry reviewed that natural gas market is less expensive and electric production is shifting that direction; that forecast loads are for 5 year periods and are continuously evaluated; that reports are submitted to market daily with loads reviewed daily for Petoskey; that credit is a big part and Petoskey is in good shape along with diversity in sources; that MPPA purchases larger supply divided amongst 16 users; that MISO began in 2005 and is responsible for reliability of grid; that nuclear makes up 15%, but is shrinking; and reviewed status of Campbell and Belle River which should last for 10-20 years into future.

Resolution No. 18959  
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of April 18, 2016, City Councilmember Dittmar moved that, seconded by City Councilmember Wills adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the March 21, 2016 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 March 21 for contract and vendor claims at \$1,048,974.02, intergovernmental claims at \$41,291.80, and the March 24 and April 7 payrolls at \$348,994.79, for a total of \$1,439,260.61 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Murphy, Dittmar, Wills, Fraser (4)

NAYS: None (0)

Hear Public Comment

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

Hear City Manager Updates

The City Manager gave an update on the NPDES permit and that the permit has been revised and is in approval process; that parking fine collection rates are increasing; that the 2015 Planning Commission annual report was included as an informational item; reviewed that the State is providing significantly less revenue sharing to municipalities; that health care rate increases have been limited and that the City will keep Blue Cross Blue Shield and Blue Care Network until January 1, 2017 and then review new quotes; that the Assessor provided an annual report with some increases; and that the elevator shaft looks intact and may not need drilling with hopes to be completed in the next few weeks.

Third Discussion of a Brownfield  
TIF for Great Lakes Center for the Arts  
& Bay Harbor Village Co.

The City Manager gave a brief history of the project and that City Council voted 2-3 against approving a Brownfield TIF Plan for Bay Harbor Village Company and the Great Lakes Center for the Arts at the March 21 Council meeting. City Councilmembers voiced an interest to reconsider a revised plan. The City Manager reviewed the revised plan including the following changes: interest has been reduced for a total of \$520,353, payments are earmarked strictly for the Great Lakes Center for the Arts and is optional and the City is not required to pay for this expense; that tax increment dollars are proposed at an 80% Bay Harbor / 20% City share for duration of the 30-year plan; and Local Site Remediation Revolving Fund (LSRRF) has been reduced for a total of \$544,643 and similar to interest payments, this expense is optional and is not required to be included in the plan.

The City Manager also reviewed that Bay Harbor roads are private and if plan is approved, then Bay Harbor would be required to grant easements for all roads and utilities; that the ISD has a neutral position on plan; and that North Central Michigan College is looking into the plan.

City Councilmembers inquired what Bay Harbor's response was to changes suggested by the City; discussed how long it would take to fully build out the project; that MEDC rejected plan due to policy; that it was an exceptional project; that the LSRRF portion be removed; that the plan be a maximum of 20 years at 80/20 share; and inquired if there was a need for interest portion and heard from those in favor of keeping interest.

Jill O'Neill, representative with the Great Lakes Center for the Arts, commented that 15 years is short and would like 20 years.

Mayor Fraser asked for public comments and heard that there were significant cuts in revision; that economics have slowed down in Bay Harbor; that the Great Lakes Center for the Arts will help community growth and increase development throughout Bay Harbor which is 55% developed.

City Council discussed further revisions to the proposed plan that included a reduction in the maximum length of the plan to 20 years; lowering the maximum interest rate to 3.5% from 5%, which would reduce interest to approximately \$387,000; and reducing the LSRRF capture down to approximately \$106,000. Council agreed to review a revised plan based on the above changes.

City Councilmembers will further discuss this matter at the May 2, 2016 City Council meeting.

Resolution No. 18960 – Authorize Motor Pool Pool Electric Utility Truck Purchase The City Manager reviewed that the City's 2016 Annual Budget allocated \$47,000 within the Motor Fund for the purchase of a heavy-duty compartment type

utility-body truck for use primarily by the Department of Public Works electric operations. This purchase replaces a similar 2004 heavy-duty type truck that has in excess of 80,000 miles and will be retired and sold at auction. Combined cost of the truck chassis and the specified equipment totals \$49,580, exceeding the 2016 budget projection for this specific vehicle by \$2,580. The City Manager reviewed that although over, the overall total expenditures for motor pool purchases will remain under budget.

City Councilmember Wills moved that, seconded by City Councilmember Dittmar to authorize purchasing from Red Holman Fleet and Commercial Sales, Westland, through the Mi-Deal Program a latest production GMC Sierra 3500HD, for \$28,947; and authorize contracting with Truck and Trailer Specialties, Boyne Falls, through the Mi-Deal Program the purchase and installation of a chassis mounted utility compartment type fiberglass box for \$20,633.

Said motion was adopted by the following vote:

AYES: Murphy, Dittmar, Wills, Fraser (4)

NAYS: None (0)

Resolution No. 18961 – Authorize Motor Pool Electric Utility Truck with Aerial Device Purchase The City Manager reviewed that the City's 2016 Annual Budget included \$175,000 for the purchase of a heavy-duty utility truck with aerial device, primarily for use by the Department of Public Works in conjunction with electric distribution operations. This unit will replace an aging

2002, 14-year old, similar type utility aerial truck that has been operated for more than 8,200 hours, has approximately 37,000 miles and will be retired and sold at auction.

City Councilmember Murphy moved that, seconded by City Councilmember Wills to authorize purchasing from Altec Industries, Inc., Indianapolis, through the Mi-Deal State of Michigan Purchase Contract, a latest production heavy-duty utility truck with aerial device, at a cost not to exceed \$172,840.

Said motion was adopted by the following vote:

AYES: Murphy, Dittmar, Wills, Fraser (4)

NAYS: None (0)

Resolution No. 18962 - Approve Local Revenue Sharing Board Application for Firefighting Equipment The City Manager reviewed that Emmet County Local Revenue Sharing Board is accepting applications from local governmental units for funds to be used for lawful governmental purposes. The Department of Public Safety is proposing to submit a request in the amount of

\$15,000 to assist in the purchase of 6 complete sets of firefighting personal protective equipment (PPE) used for firefighting operations.

Current equipment is over 10 years old and no longer meets National Fire Protection Association (NFPA) standards. PPE is an essential tool in protecting firefighters from the exposures to fire and smoke. PPE consists of a coat, pants, helmet, boots and gloves. One set of gear costs about \$3,000.

The new PPE will meet current standards and provide City firefighters safe and reliable equipment. Proposed total project funding includes \$15,000 from the Local Revenue Sharing Grant and \$3,000 from the City of Petoskey.

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

WHEREAS, the City of Petoskey, operates a Department of Public Safety that contains Public Safety Officers that perform firefighting duties; and

WHEREAS, the current firefighting equipment includes personal protective equipment (PPE) that do not meet current National Fire Protection Association (NFPA) standards; and

WHEREAS, the City wishes to provide Public Safety Officers with new NFPA approved PPE to Officers that is safe and reliable:

NOW, THERFORE, BE IT RESOLVED, that the City of Petoskey City Council does hereby support and authorizes the submission of this grant application to the Emmet County Local Revenue Sharing Board in the amount of \$15,000 for firefighting equipment.

Said resolution was adopted by the following vote:

AYES: Murphy, Dittmar, Wills, Fraser (4)

NAYS: None (0)

Resolution No. 18963 - Approve  
Local Revenue Sharing Board  
Application for Tennis Court Complex

The City Manager reviewed that Emmet County Local Revenue Sharing Board is accepting applications from local governmental units for funds to be used for lawful governmental purposes. The Department of Parks and Recreation is proposing to submit a request in the amount of \$10,000 to assist in funding the tennis court renovation project. Since 2013, the City, in cooperation with the Public Schools of Petoskey and Petoskey Community Courts, an area non-profit tennis organization, have raised approximately \$255,000 to fund the reconstruction of the six lighted tennis courts at the joint City/School. Recreational Complex located at 1500 Hill Street, with a plan to begin construction on the courts in 2015. The proposed project was not undertaken in 2015 and delayed until the spring of 2016 to allow more time to raise the monies needed.

In February, the Public Schools of Petoskey requested formal bids on the project and awarded the low bid of \$301,043 to Harbor Springs Excavating, which was approximately \$46,043 over the projected 2013 cost estimate. To reach a reduced project cost to \$262,016.53 a number of key elements were eliminated. The City and Petoskey Community Courts will continue to raise money with the minimum goal of raising an additional \$15,125 which would add back in crucial segments of the project, with an ultimate goal to raise \$42,578 to complete the project as designed.

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

WHEREAS, the City of Petoskey, in cooperation with the Public Schools of Petoskey and Petoskey Community Courts, a non-profit organization, has undertaken the task to raise funds to renovate a 44 year old lighted tennis court complex located at 1500 Hill Street, Petoskey, which is part of a recreational complex jointly developed and operated by the City of Petoskey and the Public Schools of Petoskey since 1972; and

WHEREAS, this Tennis Court Renovation Project is identified in the City of Petoskey 2016-2021 Capital Plan and is construction is scheduled to begin in June 2016; and

WHEREAS, the Emmet County Local Revenue Sharing Board (Tribal Gaming Revenue Distribution Board) is currently accepting applications from eligible local units of government for allocation of gaming revenues collected from the Little Traverse Bay Band of Odawa Casino operations; and

WHEREAS, the tennis court renovation project is an eligible project and the Parks and Recreation Commission has recommended and supports that an application be submitted to the Emmet County Local Revenue Sharing Board in the amount of \$10,000 for the partial funding of the tennis court renovation project; and

WHEREAS, the City of Petoskey City Council is in support of this \$10,000 application to the Emmet County Local Revenue Sharing Board for funding consideration:

NOW, THEREFORE, BE IT RESOLVED, that the City of Petoskey City Council hereby confirms its intent to endorse and authorize submission of this application to the Emmet County Local Revenue Sharing Board in the amount of \$10,000.

Said resolution was adopted by the following vote:

AYES: Murphy, Dittmar, Wills, Fraser (4)

NAYS: None (0)

Hear Council Comments

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

There being no further business to come before the City Council, this April 18, 2016, meeting of the City Council adjourned at 9:02 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer