



## CITY COUNCIL

October 3, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 3, 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  
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, City Planner Amy Tweeten, Downtown Director Becky Goodman and City Attorney James Murray.

Resolution No. 18995  
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of October 3, 2016, 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 September 19, 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 September 19 for contract and vendor claims at \$1,257,270.66, intergovernmental claims at \$343,741.60, and the September 22 payroll at \$193,741.34, for a total of \$1,794,753.60 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 18996  
Confirm Appointments

Mayor Fraser reviewed that City Council consider a possible reappointment to the Downtown Management Board.

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

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Robin Bennett, 325 East Lake Street, to the Downtown Management Board for a four-year term ending December 2019.

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 City Manager reviewed that parking plans for the Darling Lot have been updated by Walker Parking and there are some issues with park lands; that staff is also looking at Emmet County lot but no discussions have taken place yet with Emmet County; that job descriptions are being prepared by staff; that Marina electrical upgrades are still on-going; that Mitchell Street will be closed for the Harvest Artist event at Crooked Tree Arts Center; that there is a tentative union agreement with the Public Safety Lieutenants and may be discussed at the next meeting; that a draft Donation Policy is being reviewed by the City Attorney and will come before Council in November; and that the economic strategy as part of the RRC program is moving along.

City Councilmembers discussed a sewer line being replaced on Petoskey Street near Petoskey Plastics and discussed ongoing concerns over noise from Northmen Field.

Resolution No. 18997 Approve  
2017-2022 Capital Improvements Plan

The City Manager reviewed that the only outstanding issue at the September 19 meeting was funding of preliminary conceptual drawings and cost estimates for a downtown bathroom renovation/expansion project at the Chamber of Commerce/Visitor's Bureau Building at Mitchell and Howard Streets.

The City Manager reviewed that at the September 20 DMB meeting, the DMB voted to share the costs of the initial conceptual drawings with the City in 2016. The total cost of the conceptual drawings are \$3,500 which will be split 50/50, or \$1,750 for each entity. This project was originally proposed for 2017 but because of the desire of both the DMB and City Council to expedite bathroom improvements, the design work is proposed to be moved up to 2016. Subsequently, the project has been deleted from the 2017 CIP list of projects. This is the only change that has been made to the CIP. By starting the design process earlier, the DMB and City Council would have more accurate project cost estimates and conceptual drawings for a possible Fall 2017 construction, but initial cost estimates are close to \$300,000 (not including utility relocates) and neither DMB nor City Council have yet to determine details on how to fund the project.

Mayor Fraser asked for public comments and heard that a mirror in the women's bathroom is needed.

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

WHEREAS, as part of the City's annual budget-preparation process, the City Planner submitted to the Planning Commission August 18, 2016 the City staff's proposed update to the City's six-year capital improvements program; and

WHEREAS, the Planning Commission reviewed this proposed 2017-2022 Capital Improvements Program on August 18, 2016, and recommended its adoption by the City Council; and

WHEREAS, the City Council reviewed the proposed plan on September 19, 2016 and October 3, 2016 and concurs with the recommendation of the Planning Commission:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2017-2022 Capital Improvements Program as submitted by the City Manager October 3, 2016 and approved by the Planning Commission August 18, 2016.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 18998 Adopt Ord. 756  
Amending Zoning Sections 1704-1706

The City Planner reviewed that this was a second reading of a proposed zoning amendment for sections 1704, 1705 and 1706 of the Zoning Ordinance. City Councilmembers reviewed changes for curb cuts and commented on the decreased size of parking spaces.

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

### **ORDINANCE NO. 756**

#### **AN ORDINANCE TO AMEND APPENDIX A OF THE PETOSKEY CODE OF ORDINANCES, ZONING ORDINANCE SECTIONS 1704, 1705, and 1706**

The City of Petoskey ordains:

1. Appendix A, Section 1704 of the Petoskey Code of Ordinances is hereby repealed and replaced by the following:

#### **SECTION 1704 OFF-STREET PARKING AND DRIVEWAY CURB-CUT STANDARDS**

INTENT: This section shall apply to all zoning districts as provided for herein. The purpose of this section is to make Petoskey safe and accessible for drivers, pedestrians and cyclists in the design of all parking areas by promoting site designs that help to reduce conflicts, enhance the community and support a multi-modal transportation mix.

#### **1704(1) GENERAL PROVISIONS APPLYING TO ALL ZONING DISTRICTS**

- A. No parking area, driveway, or off-street parking space shall be constructed, expanded or improved without a Zoning Permit. Normal maintenance, such as regrading of legal non-conforming gravel parking areas or the addition of top coat or sealer to existing paved parking areas, will not trigger full off-street parking compliance; however, pulverizing an existing asphalt, concrete or other paved parking surface, the outright removal or substantial modification of the paved surface in preparation for paving and demolition by neglect which serves to return a parking area substantially to gravel or other aggregate surface, shall, for the purposes of this ordinance, be considered new parking.
- B. New parking lot construction shall require a detailed site plan in accordance with **Section 1716** and Planning Commission approval. Driveways in Single Family Zoning Districts are exempt from this requirement.
- C. Any expansion of an existing building shall require review of the adequacy of on-site parking.
- D. Required off-street parking spaces shall not be replaced by any other use unless and until an equal number of parking spaces are provided elsewhere and are so provided in compliance with this ordinance.

- E. All parking areas and driveways shall be constructed with an approved hard surface: paved with asphalt, concrete or other similar materials, which shall extend as a continuous uninterrupted pavement from the garage, parking area or combination thereof to a street or alley. Driveway approaches shall be concrete and provide for a sidewalk profile. The parking area shall be surfaced within one (1) year of the date the zoning permit is issued.
- F. To minimize excessive areas of pavement that contribute to higher rates of storm water runoff, exceeding the parking space requirements of Section 1704(6) in non-residential districts shall be prohibited.
- G. Driveway curb cuts shall be placed at least thirty (30) feet from an intersection measured from the radius sprint point as defined in **Section 1714**.
- H. Driveway curb cuts shall be no wider than 16 feet in one and two family districts and 24 feet in commercial districts.

**1704(1.1) EXCEPTION TO GENERAL PROVISIONS**

The area delineated as the **Central Business Parking Exempt District** is exempt from providing off-street parking, but if off-street parking and loading requirements are provided, the lot shall meet all applicable design standards of this Zoning Code. The **Central Business Parking Exempt District** is defined as the area bounded by Michigan Street on the south, Woodland and Division Streets on the east, Rose Street on the north and U.S. 31 and Elizabeth Street on the west.

**1704 (2) ONE AND TWO FAMILY RESIDENTIAL PARKING AREA AND DRIVEWAY REQUIREMENTS**

**A. General Requirements**

- 1. In no case should more than forty (40) percent of a required front yard be a paved surface. Parking on non-paved surfaces is prohibited.
- 2. A one-family dwelling is restricted to a single curb cut.

**1704 (3) MULTIFAMILY PARKING AREA AND DRIVEWAY DESIGN REQUIREMENTS**

**A. General Requirements**

- 1. Parking areas shall be located to the rear of the building or internal to the building to continue or establish a continuous façade wall along the street and/or to conceal the expanse of parking area.
- 2. Bicycle parking shall be provided for any building with 5 or more units at a ratio of 1 space per 2 units. See Section **1704(5)(b)**.

**1704 (4) COMMERCIAL PARKING AREA AND DRIVEWAY DESIGN REQUIREMENTS**

**A. General Requirements**

- 1. Parking areas shall not be located within a required front-yard setback or a street frontage side-yard setback on a corner lot.
- 2. Parking areas shall have barriers such as concrete bumpers or curbs to prevent vehicles from extending over or into any public sidewalk, walkway, rights-of-way or landscape buffer areas. Parking areas shall include striping that delineates each individual parking space.
- 3. The storage of merchandise, motor vehicles for sale, trucks, or the repair of vehicles is prohibited within a required off-street parking area.
- 4. Parcels greater than one hundred (100) feet in width shall have curb cuts at least sixty (60) feet from an intersection measured from the curb face.
- 5. Curb cuts shall be aligned with driveways on the opposite side of the street or offset a minimum distance of thirty (30) feet.

6. Driveways on the same side of the street shall be separated by at least thirty (30) feet, measured from the entrance radius spring point as illustrated in Section 1714.
7. Any new parking lot with at least 10 vehicle parking spaces shall provide bicycle parking for a minimum of one bicycle and one additional bicycle parking space per 15 vehicle parking spaces. See Section **1704 (5)(b)**.

**B. Use of On Street Parking to Meet Parking Requirements**

1. Upon Planning Commission review and approval, on-street parking may be used for up to twenty (20) percent of parking space requirements, not exceeding 6 spaces, provided that:
  - i. The on-street spaces are within three hundred (300) feet walking distance from the main entrance of the subject building,
  - ii. An on-street parking space shall not be counted unless its entire area falls within said three hundred (300) foot walking distance, and
  - iii. An on-street parking space shall not be counted if it is restricted in its use as a designated loading zone or if parking is prohibited for more than five (5) hours any 24-hour period.

**C. Shared Parking Agreements**

Where a mix of land uses creates staggered peak periods of parking demand, shared parking agreements that have the effect of reducing the total amount of required parking spaces are encouraged. Shared parking agreements for off-street parking for two (2) or more buildings or uses is permitted subject to the following:

- (1) The total number of required parking spaces for each use on each lot shall not be reduced by more than twenty five (25) percent.
- (2) Shared parking areas shall be located within three hundred (300) feet of the use, measured from the nearest point of the building to the nearest point of the off-street parking area or space.
- (3) If lots are adjacent, they shall be interconnected for vehicular passage.
- (4) Written agreements that provide for continued use and maintenance of shared parking shall be submitted at the time of site plan or zoning permit approval. All agreements shall include provisions to address changes in use.
- (5) Shared parking agreements or leases shall remain in full force and effect binding on both parties. In the event the shared parking agreement or lease is terminated by either party, or is not being enforced or complied with, full parking requirements must be met

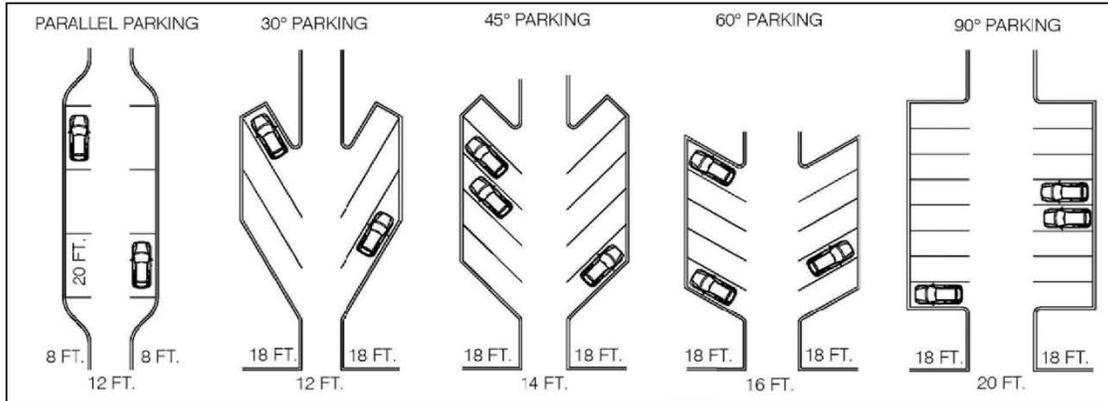
**1704 (5) DIMENSIONAL REQUIREMENTS FOR PARKING LOTS**

**A. Vehicle Parking**

- i. All parking lot spaces shall be provided adequate access by means of maneuvering lanes; access directly onto a street or public right-of-way shall be prohibited.
- ii. Maneuvering lanes for 90° parking patterns shall accommodate two-way traffic.
- iii. Parking spaces and maneuvering lanes shall be provided in accordance with the requirements below.
- iv. A driveway that is not a property-line shared driveway shall be a minimum of 5 feet from the property line.

## PARKING LOT DIMENSIONAL REQUIREMENTS

Parking Pattern	Minimum Maneuvering Lane Width	Parking Space Width	Parking Space Length	Compact Vehicle Space Dimensions
0° (parallel)	12 feet	8 feet	20 feet	8'
30° to 53°	12-14 feet	9 feet	18 feet	Same
54° to 74°	16 feet	9 feet	18 feet	Same
75° to 90°	20 feet	9 feet	18 feet	8' x 16'



### B. Bicycle Parking

- i. A bicycle parking space is an area provided for bike parking with a dedicated bicycle rack; the size or number of racks is dependent on the number of bicycle parking spaces required.
- ii. Bicycle Rack Requirements
  - a. The bicycle rack must be within 50 feet of the main building entrance or inside a building in a location that is easily accessible by bicyclists
  - b. The bicycle frame and one wheel can be locked to the rack with a high security, U-shaped shackle lock if both wheels are left on the bicycle.
  - c. A bicycle six feet long can be securely held with its frame supported so that the bicycle cannot be pushed or fall in a manner that will damage the wheels or components;
  - d. The rack must be securely anchored when necessary; and



A bicycle parking space with a single U-shaped rack supports two bikes.

- e. Each required bicycle parking space must be accessible without moving another bicycle and there must be an aisle at least five feet wide behind all required bicycle parking to allow room for bicycle maneuvering.

### C. Landscaping

- i. Parking area landscaping requirements as established in Section 1709 shall be followed.

**1704(6) REQUIRED NUMBER OF PARKING SPACES BY USE**

USE		PARKING SPACES REQUIRED (Minimum and Maximum)
<b>RESIDENTIAL</b>	Single and Two Family	Two per dwelling unit
	Multiple Family	1.5 per dwelling unit
	Rooming Houses	One for each guest room
	Senior Housing	One for each three (3) units and one for each employee on the largest shift
	Bed and Breakfast	2 spaces for the principal dwelling use, plus 1 off-street space per rental room
	Residential above commercial	1 per dwelling unit
<b>INSTITUTIONAL</b>	Place of Public Assembly	1 space per 4 seats of legal capacity
	Hospitals	4.5 spaces per licensed bed; areas of out-patient care follow medical office requirements.
	Nursing Care Facility	1 per employee in the largest shift plus 1 space for each 6 beds
	Educational Facilities (office and auditorium or gymnasium use calculated separately)	1/ 1,000 square feet plus 1 per classroom
<b>USE</b>		<b>PARKING SPACES REQUIRED</b>
	Stadium, sports arena or similar place of outdoor assembly	1 for each 6 seats or 12 feet of bench
<b>BUSINESS/ COMMERCIAL</b>	Office (non-medical), Financial Institutions, Retail	1 space per 350 square feet of gross floor area
	Medical Office (non-urgent care)	4 per 1,000 square feet gross floor area
	Urgent Care Facilities	1 per employee or staff in the largest shift plus 2 spaces per exam room
	Lodging	One (1) space per rental room and one (1) for each employee
	Automobile Gasoline Station	1 per 150 square feet dedicated to retail activity, plus 1 space at each fuel pump, plus 1 stacking space per fuel pump
	Open Air Business	1 per 350 square feet of indoor space devoted to retail activity, plus 1 space for each 2,000 square feet of outdoor display area
	Day Care, Group and Adult Care	2 spaces for the principal dwelling use, if applicable, plus 1 space per employee of largest shift, plus 1 space per 4 clients
	Drive- through Business	5 stacking spaces per drive-through lane with window service or 3 stacking spaces for drive-through ATM, in addition to any spaces required for the non-drive-through uses
	Mortuary	1 per employee of largest shift plus 1 space per 4 seats of legal capacity
	Personal Service Establishments	1 per employee of the largest shift plus 1 space per service station
	Recreational Facility, Commercial	1 space for each 100 square feet of useable floor area.
	Planned Commercial or Shopping Center	1 space per 375 square feet gross floor area
	Retail Business; consumable and convenience goods	1 per 400 gross square feet floor area

	Retail Business; Durable goods (furniture, antiques, bicycles)	1 per 800 square feet useable floor area
	Eating and Drinking Establishment	2 for every 5 seats
<b>INDUSTRIAL/ STORAGE AND RELATED</b>	Municipal Uses- Utilities	Applicant shall demonstrate demand
	Research and Development	1 per employee of largest shift plus 5 visitor spaces
	Assembly/ Warehouse/ Wholesale/Manufacturing Facility	1 per 600 gross sq. feet

2. Appendix A, Section 1705 of the Petoskey Code of Ordinances is hereby repealed and left intentionally blank.
3. Appendix A, Section 1706 of the Petoskey Code of Ordinances is hereby repealed and replaced with the following:

**SECTION 1706 LOADING REQUIREMENTS**

A. Loading spaces shall be provided on the same property as any nonresidential use involving the receipt or distribution of materials or merchandise, except within the Central Business District where alleys may be used for loading.

B. Loading spaces shall be provided adequate access by means of maneuvering lanes; access directly onto a street or public right-of-way shall be prohibited.

C. Loading spaces shall be located within the rear yard or side yard in any Zoning District other than the industrial districts (I1 and I2). Landscaping and buffering, in addition to that required by **Section 1709**, shall be provided to fully screen loading spaces from public view when located in an interior side yard, unless the Planning Commission determines such screening is not needed based on existing land uses, site features or topography.

D. Loading spaces shall be at least ten (10) feet in width, twenty-five (25) feet in length, and have height clearance of fourteen (14) feet.

E. Loading spaces shall be located so loading and unloading activities do not interfere with pedestrian or private motor vehicle movement.

4. **Conflicting Standards.**  
If any of the standards set forth in this amendment conflict with any other standards of previous or further ordinances or amendments, the stricter standards shall apply.
5. **Repeal; Savings Clause.**  
All ordinances, resolutions, or orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflict, repealed.
6. **Severability.**  
The various parts, sections and clauses of this Ordinance 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 Ordinance shall not be affected thereby.
7. **Effect.**  
This ordinance shall take effect fifteen (15) days following its enactment and shall be published once within seven (7) days after its enactment as provided by Charter.

Said ordinance was adopted by the following vote:

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

NAYS: None

Resolution No. 18999  
Accept Special Assessment  
Report; Schedule Hearing

The City Manager next reported that at its September 20, 2016, meeting, the City's Downtown Management Board reviewed its proposed budget for downtown area programs and services for 2017 and asked that the City Council: (1) Levy a special assessment against all eligible, non-residential properties within the Management Board's jurisdictional territory, the proceeds from which would be used to finance costs of such programs and services; and (2) Set the amount for the proposed special assessment based upon assessment-levy amounts that were used in 2016. The City Manager also reported that the Management Board's budget proposal would be included within the City's recommended 2017 Annual Budget, but City Code provisions required that the special-assessment process be done annually by City Council.

The City Manager further reported that the City Council was being asked to adopt a proposed resolution, a draft of which was included with the report, that would: confirm that costs of proposed downtown-area programs and services would be offset by special-assessment revenues; designate the special-assessment district; approve the recommended special-assessment formula; and schedule an October 17 public hearing to receive comments concerning the proposed programs and services. The City Manager also reported that a second public hearing to receive comments concerning the proposed special-assessment roll was tentatively scheduled for the November 21, 2016, City Council meeting.

The Downtown Director reviewed the programs and services budget and that \$10,000 of Fund Balance reserves will be used in 2017.

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

WHEREAS, the City Council in 1994 appointed members of the City's Downtown Development Authority Board as a "Downtown Management Board" under provisions of Act 120 of the Public Acts of Michigan of 1961, as amended by Act 146 of 1992; and

WHEREAS, at its September 20, 2016, meeting, the Downtown Management Board discussed the need to continue to provide certain programs and services that are believed to be beneficial to the City's principal shopping area; and

WHEREAS, the Downtown Management Board has developed a recommended formula by which properties within the Board's district could be specially assessed as a means of obtaining revenues to offset costs of the Board's proposed programs and services for the year 2017; and

WHEREAS, the City Council has reviewed a report dated September 27, 2016, by the City Manager that lists those proposed programs and services as recommended by the Downtown Management Board and the proposed roll that would spread special assessments against properties within the Management Board's district:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby determines that a portion of the expense of these proposed programs and services shall be defrayed by special assessments upon those properties especially benefited; and

BE IT FURTHER RESOLVED that the nature of these proposed programs and services shall include such activities as special events, economic enhancement, beautification, marketing and promotions, and administration for costs estimated at \$163,600; that all portions of such costs shall be paid by special assessments and other related revenues, without a general obligation of the City; that such special-assessment revenues shall be collected in a single-installment payment; and that such assessments shall be levied in a district with boundaries that are to be coterminous to those of the Downtown Management Board's jurisdictional territory; and

BE IT FURTHER RESOLVED that the City Council does and hereby sets forth the basis of this special assessment by use of a formula that has been recommended by the Downtown Management Board to set the amount for the proposed special assessment based upon the recommended 2016 formula and that has been calculated by the City staff based upon square footage of useable, non-residential building area and vacant properties, which the City Council has determined to be the most equitable to the greatest number of property owners concerned; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, October 17, 2016, to receive comments concerning these proposed programs and services; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to notify all property owners within the proposed assessment district of potential property assessments and the October 17, 2016, public hearing to receive comments concerning these proposed programs and services.

Said resolution was adopted by the following vote:

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

Resolution No. 19000 – Intent to Issue  
Bonds for Water, Sewer & WWTP  
Upgrades & Improvements

The City Manager reviewed that the CIP includes much needed improvements to the Wastewater Treatment Plant and Sewer Collection System totaling \$4,738,600 in estimated costs. The largest portion of those costs are improvements to the WWTP (\$4,478,600) and replacement of the Bear River East Lift Station behind City Hall (\$260,000) with funding to be provided through the issuances of revenue bonds. The 2011 Refunded Water and Sewer Bonds mature on February 1, 2017 and will be completely paid off. With completion of the 2011 bond issue repayment, there will be sufficient funds available, at the current water and sewer rates, to meet the bond debt requirements for the new 2017 Water and Sewer bond issue.

The Director of Finance reviewed the resolution of intent to issue bonds for the final phase of renovations to the WWTP in the amount of \$5,000,000; that the resolution establishes the City's intent to issue bonds and begins a 45 day referendum period; and that requests for proposals for construction of the project would be sought in early 2017, with formal bids for the bonds shortly thereafter to ensure there is sufficient funding for the project.

Mayor Fraser asked for public comments and heard an inquiry on why the City can't pay down on refunding bonds vs loans. The Director of Finance reviewed how bonding differs from a bank type loan or mortgage.

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

**NOTICE OF INTENT RESOLUTION  
WATER AND SEWER SYSTEM REVENUE BONDS**

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City of Petoskey  
County of Emmet, State of Michigan

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Minutes of a regular meeting of the City Council of the City of Petoskey, County of Emmet, State of Michigan, held on the 3rd day of October, 2016, at 7:00 p.m., Eastern Time.

PRESENT: Members \_\_\_\_\_

ABSENT: Members \_\_\_\_\_

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

WHEREAS, the City Council intends to authorize the issuance and sale of Water and Sewer System Revenue Bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in the principal amount of not to exceed Five Million Dollars (\$5,000,000), for the purpose of paying the cost of acquiring, constructing and equipping improvements to the Water and Sewer System of the City, including wastewater treatment plant upgrades and improvements and lift station upgrades, together with all necessary appurtenances and attachments (the "Project"); and

WHEREAS, a Notice of Intent to Issue Bonds must be published at least forty-five (45) days before issuance of the same in order to comply with the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended; and

WHEREAS, the City intends, at this time to state its intentions to be reimbursed from proceeds of the bonds for any expenditures undertaken by the City for the Project prior to issuance of the bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a Notice of Intent to Issue Bonds in the ***Petoskey News Review***, a newspaper of general circulation in the City.
2. The Notice of Intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.
3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds and the manner of publication directed is adequate notice to the electors of the City and users of the City's Water and Sewer System and is well calculated to inform them of the intention of the City to issue the bonds, the purpose of the bonds, the security for the bonds and the rights of referendum of the electors with respect thereto, and that the provision of forty-five (45) days within which to file a referendum petition is adequate to insure that the City's electors may exercise their legal rights of referendum.
4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:
  - (a) As of the date hereof, the City reasonably expects to reimburse itself for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
  - (b) The expenditures described in this paragraph (b) are for the costs of acquiring the Project which were paid or will be paid subsequent to sixty (60) days prior to the date hereof from available funds of the City.

- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$5,000,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the related Project are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Member: \_\_\_\_\_  
 NAYS: Member: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
 Alan Terry  
 City Clerk

I hereby certify that the attached is a true and complete copy of a resolution adopted by the City Council of the City of Petoskey, County of Emmet, State of Michigan, at a Regular Meeting held on October 3, 2016, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

\_\_\_\_\_  
 Alan Terry  
 City Clerk

EXHIBIT A

NOTICE TO ELECTORS  
 OF THE CITY OF PETOSKEY AND  
 USERS OF THE CITY'S WATER AND SEWER SYSTEM  
 OF INTENT TO ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES  
 OF THE WATER AND SEWER SYSTEM  
 AND OF RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Council of the City of Petoskey intends to authorize the issuance and sale of Water and Sewer System Revenue Bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in the principal amount of not to exceed Five Million Dollars (\$5,000,000), for the purpose of paying the cost of acquiring, constructing and equipping improvements to the Water and Sewer System of the City, including wastewater treatment plant upgrades and improvements and lift station upgrades, together with all necessary appurtenances and attachments.

The bonds will mature in annual installments not to exceed twenty-five (25) in number, with interest rates to be determined at sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

## SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS shall be payable solely and only from the net revenues derived from the operation of the City's Water and Sewer System. Said revenues consist of rates and charges for services supplied by the said System which may from time to time be increased in order to provide sufficient revenues to meet expenses of operating and maintaining said System and paying debt service on certain existing revenue bonds, the bonds referred to herein and any future revenue bonds payable from the net revenues of said System. Schedules of rates presently in effect for the System are on file in the office of the City Clerk.

## RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such a petition is filed, the bonds cannot be issued unless approved by a majority vote of the electors of the City voting on the question of their issuance.

THIS NOTICE is given pursuant to the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the City Clerk upon request.

Alan Terry, City Clerk  
City of Petoskey

Said resolution was adopted by the following vote:

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

NAYS: None (0)

### Discuss and Approve City Manager Evaluation Form

The City Manager removed himself from the discussion. The City Attorney reviewed that at the September 19 City Council meeting, City Councilmembers requested an agenda item to discuss which form to use for the annual performance evaluation of the City Manager. The City Attorney reviewed the current form used for evaluation and a possible alternative form provided by ICMA.

City Councilmembers commented that the form is not as important as comments; that current form is shorter and suffices for annual evaluation; heard from those in favor of the 1-5 rating system; that supervision section could be eliminated; that the rating system is lacking on current form; and that Councilmembers could use the longer ICMA form for ideas/questions.

Mayor Fraser asked for public comments and heard that as part of the process, the current short form should be used to evaluate City Manager.

City Councilmember Marshall moved that, seconded by City Councilmember Wills to approve the evaluation form for the City Manager as the form currently being used.

Said motion 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 there were no comments.

There being no further business to come before the City Council, this October 3, 2016, meeting of the City Council adjourned at 8:15 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer