



CITY COUNCIL

November 21, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, November 21, 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

Absent: Jeremy Wills, City Councilmember

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

Special Assessment Roll Public Hearing

A public hearing was held to receive comments on the proposed special assessment roll that would spread costs of downtown-area programs and services during 2017, as requested by the Downtown Management Board. The DMB's recommended assessment formula is the same rate as last year of \$0.16 per square foot of usable, first-floor space within eligible, non-residential buildings located in the Management Board's territory as the assessment district; \$0.04 per square foot of usable space on floors other than first floors; and \$0.05 per square foot of area on vacant, buildable lots.

Mayor Fraser opened the public hearing at 7:00 P.M. and recognized a letter from Jane Harris who opposed the special assessment. There were no other public comments and the hearing closed at 7:03 P.M.

Budget and Tax-Levy Public Hearing

A public hearing was held to receive comments concerning the City's proposed 2017 Annual Budget and recommended property-tax-millage rates for 2017. The City's proposed 2017 Annual Budget was initially presented and briefly discussed at the November 7 City Council meeting. At the November 7 City Council meeting, a public hearing was scheduled for November 21, as required by City Charter and State statute provisions, to receive comments about the recommended budget and property-tax-millage rates that have been proposed as part of the budget recommendation. (Actual millage rates would be set in 2017.)

City Charter provisions require the City Council to conduct public hearings each year to receive comments concerning annual budget proposals and provisions of the Michigan Truth-in-Taxation Act require governing boards of local units of government to conduct annual public hearings prior to establishing property-tax-millage rates, if estimated amounts of revenues that would be produced by property-tax levies are anticipated to exceed amounts in the new year that had been received from levies during the previous year.

The November 21 public hearing would satisfy City Charter requirements and meet provisions of the Michigan Truth-in-Taxation Act that require opportunities for comments concerning proposed estimated amounts of property-tax-millage rates for the General, Rights-of-Way, and Library Funds, though actual millage rates would be established by the City Council in May or June, following the State's equalization of values.

Mayor Fraser opened the public hearing at 7:05 P.M. and there were no public comments. The public hearing closed at 7:07 P.M.

Resolution No. 19011
Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of November 21, 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 November 7, 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 November 7 for contract and vendor claims at \$550,792.61, intergovernmental claims at \$0, and the November 17 payroll at \$185,830.32, for a total of \$736,622.93 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Hear Public Comment

Mayor Fraser asked for public comments and heard a comment from a City resident near Grove Street and Waukazoo on when overhead electrical lines would be removed and when leaves would be picked up that are located in the street. The Director of Public Works responded that City lines have power off and waiting for cable and telephone companies to complete their portion of project; and that final leaf pickup occurred on the west side today and will complete the east side of town tomorrow.

Hear City Manager Updates

The City Manager reviewed that he attended a work force housing conference in Traverse City and reviewed various issues; reported that final leaf pickup is this week; and that winter parking restrictions begin December 1 through April 1.

Resolution No. 19012 - Confirm
Special Assessment Roll

The City Manager reviewed the proposed special assessment and programs and services for 2017. Mayor Fraser asked for public comments and there were no Comments.

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

WHEREAS, the City Council on October 3, 2016, reviewed a report of September 27, 2016, that had been prepared by the City Manager 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 the proposed special-assessment roll that could be implemented to finance such programs and services; and

WHEREAS, following that review, the City Council conducted a public hearing on October 17, 2016, to receive comments concerning recommended programs and services as proposed 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, after having received no comments at its October 17 public hearing, the City Council then approved the programs and services as had been recommended by the Downtown Management Board, as well as approved the costs for such programs and services that had been estimated by the Downtown Management Board; and

WHEREAS, in addition to approving proposed downtown 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 on November 7, 2016; and

WHEREAS, after receiving a proposed special-assessment roll, the City Council accepted the assessment roll, ordered that it be placed on file with the City staff and made available for inspection by the public, scheduled a public hearing for November 21, 2016, to receive comments concerning the proposed special-assessment roll, and directed the City staff to publish a notice of the November 21, 2016 public hearing and to notify potentially affected property owners of said hearing; and

WHEREAS, the City Council conducted its November 21 public hearing and is satisfied with the assessment roll as prepared by the City staff and believes that assessments are in proportion to benefits to be received:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby accepts the special-assessment roll as prepared by the City staff and as presented to the City Council and is satisfied with the roll and believes that assessments are in proportion to benefits to be received; and

BE IT FURTHER RESOLVED that the City Council does and hereby confirms the special-assessment roll as prepared by the City staff and as presented to the City Council; and

BE IF FURTHER RESOLVED that the City Council does and hereby orders that a certified copy of said special-assessment roll be placed on file at the City Hall and that the staff be and is hereby directed to spread the assessments and collect the various sums and amounts that appear on said special-assessment roll.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19013
Approve 2017 Budget

The City Manager reviewed that following a lengthy PowerPoint presentation at the November 7 City Council meeting concerning the City's proposed 2017 Annual Budget, City Council scheduled a public hearing for

November 21 to receive comments concerning both the budget recommendation and property tax millage rates, which was conducted earlier in the meeting.

The City Manager reviewed individual millage rates that would total 14.5624 mills including a 0.75 mill increase for purchase of public safety equipment that was approved by Petoskey residents in August of 2016; that final adjustments of property tax millage rates would be approved by the City Council midway through 2017, following the State's annual equalization of assessed and taxable values; reviewed that property-tax rates have been proposed at the amounts of 7.6071 mills to produce revenues to offset costs of general government services and projects, with 0.4890 mills added for solid-waste programs; 3.9174 mills to offset costs of maintenance operations and public improvements within street right-of-ways; 1.7989 mills to offset costs for operation and maintenance of the Petoskey District Library; and 0.7500 for fire equipment.

The City Manager also reviewed the schedule of various rates and charges that is reviewed each year with any adjustments being presented to City Council for consideration; reviewed that in 2016, the City increased rates for Magnus Campground and Shelter rentals; that there are two changes proposed for 2017 including an additional \$5 Notary charge for non-City business and an increase in the Outdoor Dining Application fee from \$50 to \$75 due to the amount of staff time needed to review each application; that similar to past years, the City adopts the DNR Waterways Commission rate which are approved by the State in mid-December of this year; and at this point the City does not know the official approved rates for 2017, but that the City will continue to use DNR Waterways Commission Tier Rate 3 for Marina seasonal boaters and DNR Waterways Commission Tier Rate D for transient boaters in 2017.

City Councilmember Dittmar moved that, seconded by City Councilmember Marshall 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 2017; and

WHEREAS, as also is required of City Charter provisions, the City Council on November 21, 2016, conducted a public hearing to receive comments concerning these proposed budgets for the City's various funds:

General Fund

January 1, 2017 Fund Balance	\$ 4,392,053
Revenues	<u>7,768,700</u>
Expenditures:	
General Governmental Services	1,627,200
Public Safety	3,398,700
Public Works	626,200
Recreation and Cultural	<u>2,116,100</u>
Total Expenditures	<u>7,768,200</u>
December 31, 2017 Fund Balance	<u>\$ 4,392,553</u>

Major Street Fund

January 1, 2017 Fund Balance	\$ 785,523
Revenues	1,131,300
Expenditures	<u>1,445,800</u>
December 31, 2017 Fund Balance	<u>\$ 471,023</u>

Local Street Fund

January 1, 2017 Fund Balance	\$ 533,837
Revenues	185,500
Expenditures	<u>314,100</u>
December 31, 2017 Fund Balance	\$ <u>405,237</u>

General Street Fund

January 1, 2017 Fund Balance	\$ 908,991
Revenues	2,248,400
Expenditures	<u>2,472,100</u>
December 31, 2017 Fund Balance	\$ <u>685,291</u>

Tax Increment Finance Authority Fund

January 1, 2017 Fund Balance	\$ 1,219,310
Revenues	319,000
Expenditures	<u>313,400</u>
December 31, 2017 Fund Balance	\$ <u>1,224,910</u>

Library Fund

January 1, 2017 Fund Balance	\$ 733,541
Revenues	1,257,000
Expenditures	<u>1,256,900</u>
December 31, 2017 Fund Balance	\$ <u>733,641</u>

Library Endowment Fund

January 1, 2017 Fund Balance	\$ 19,428
Revenues	10,100
Expenditures	<u>10,000</u>
December 31, 2017 Fund Balance	\$ <u>19,528</u>

Downtown Management Fund

January 1, 2017 Fund Balance	\$ 159,078
Revenues	157,200
Expenditures	<u>163,500</u>
December 31, 2017 Fund Balance	\$ <u>152,778</u>

Downtown Parking Fund

January 1, 2017 Retained Earnings	\$ 626,212
Revenues	494,900
Expenses	<u>466,100</u>
December 31, 2017 Retained Earnings	\$ <u>655,012</u>

Right-of-Way Fund

January 1, 2017 Fund Balance	\$ 711,050
Revenues	1,654,300
Expenditures	<u>1,652,000</u>
December 31, 2017 Fund Balance	\$ <u>713,350</u>

Electric Fund

January 1, 2017 Retained Earnings	\$22,396,616
Revenues	11,515,400
Expenses	<u>11,243,100</u>
December 31, 2017 Retained Earnings	\$ <u>22,668,916</u>

Water and Sewer Fund

January 1, 2017 Retained Earnings	\$ 15,076,625
Revenues	5,291,500
Expenses	<u>5,415,600</u>
December 31, 2017 Retained Earnings	\$ <u>14,952,525</u>

Motor Pool Fund

January 1, 2017 Retained Earnings	\$ 3,449,415
Revenues	891,600
Expenses	<u>956,600</u>
December 31, 2017 Retained Earnings	\$ <u>3,384,415</u>

Building Authority Marina Improvements Bond Fund

January 1, 2017 Fund Balance	\$ 12,769
Revenues	86,000
Expenditures	<u>82,400</u>
December 31, 2017 Fund Balance	\$ <u>16,369</u>

Building Authority Bear River Valley Improvements Bond Fund

January 1, 2017 Fund Balance	\$ 32,819
Revenues	260,100
Expenditures	<u>255,800</u>
December 31, 2017 Fund Balance	\$ <u>37,119</u>

WHEREAS, following the public hearing to receive comments concerning the proposed 2017 Annual Budget and its consideration of the proposed budget, the City Council wishes to approve the proposed budgets of these various City funds:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2017 Annual Budget as presented by the 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 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:

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, Fraser (4)

NAYS: None

Hear Emmet Street
Improvements Presentation

completed by late summer.

The City Manager reviewed that at the November 7 City Council meeting, City Council requested a presentation of the Emmet Street improvement project scheduled to commence in Spring, 2017 and be

The Director of Public Works reviewed the \$1.7M infrastructure project from State Street to Washington Street that will be out for bid in late 2016 with a bid award by City Council in early 2017; that the project is designed according to concepts developed through neighborhood workshops held in 2015; that the project will include upgrades to water and sewer lines and undergrounding of both main and residential service electric lines; intersection improvements at Washington and Emmet to maximize parking; better delineated pedestrian intersection crossings utilizing curb bump outs at Washington and Emmet; street tree plantings and lighting installations; sidewalk improvements on both sides of Emmet Street which include an 8' sidewalk along the east side of street from proposed Greenway Corridor to Washington Street; extension of sidewalk on south side of Washington from Emmet to Petoskey Street allowing sidewalk access to Washington Park; that street and sidewalk improvements are engineered to connect with an entrance to Phase II of the Greenway Corridor project; and that trail project is contingent upon grant funding which will be decided in late 2016.

Hear Council Comments

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

Resolution No. 19014
Adjourn to Closed Session

City Council was being asked to adopt a resolution that would adjourn to a closed session pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider written communications protected by the attorney-client privilege and exempt from disclosure under Section 13(1)(g) of the Freedom of Information Act.

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

WHEREAS, the City Manager has requested that the City Council adjourn to a closed session, pursuant to Section 8(h) of the Michigan Open Meetings Act, to consider written communications protected by the attorney-client privilege and exempt from disclosure under Section 13(1)(g) of the Freedom of Information Act following the conclusion of routine business at the City Council's regular meeting of November 21, 2016:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to adjourn to a closed session, to consider written communications protected by the attorney-client privilege.

Said resolution was adopted by the following vote:

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

NAYS: None

Adjourned to closed session at 7:50 P.M. and reconvened into open session at 8:40 P.M.

There being no further business to come before the City Council, this November 21, 2016, meeting of the City Council adjourned at 8:42 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer