



CITY COUNCIL

December 19, 2016

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, December 19, 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.

Hear Redevelopment Ready Communities Presentation

Karen Wieber and Dan Leonard, MEDC representatives gave a brief presentation on the Report of Findings which is an evaluation and status of the City's submittal in meeting the six best practices for successful economic development as part of the Redevelopment Ready Communities program. Ms. Wieber reviewed that pursuant to the Memorandum of Understanding approved at the September meeting, City Council will need to adopt a resolution within 30 days stating its intent to implement the needed action items to obtain full RRC certification.

City Councilmembers commented that public involvement early on is much better than in the past; about difference in sizes and staff between communities; that deficiencies in Sections 3.1 and 5.1 include marketing which may be difficult to implement due to our size; and inquired if MEDC would help with marketing of sites.

MEDC representatives reviewed that City Council has gone to public for input on sites; that other communities have same issues in sizes and staff, but with different scale; that sites can be marketed through organizations such as the Chamber of Commerce, NLEA and Downtown Management Board and that MEDC will also help market development sites; and that RRC program demonstrates that the City is willing to develop properties, but RRC certification needs to be in place to have grants available.

City staff will next focus on highlighted areas in the Report of Findings and then the development sites.

Resolution No. 19018 Approve Consent Agenda Items

Following introduction of the consent agenda for this meeting of December 19, 2016, 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 confirms that the draft minutes of the December 5, 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 December 5 for contract and vendor claims at \$1,160,208.33, intergovernmental claims at \$0, and the December 15 payroll at \$195,141.58, for a total of \$1,355,349.91 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 Ted Pall, 603 East Lake Street, thanked Mayor Bill Fraser for all of his service over the last five years reviewing various issues and projects that were addressed during those years.

Hear City Manager Updates

The City Manager reviewed that the grant for the second phase of the Greenway Corridor is being recommended for approval at the State level; that Beckett & Raeder donated office furniture to the City; reviewed street closures on Mitchell Street and Division near the Crooked Tree Arts Center for New Year's Eve; reviewed his vacation schedule; and thanked Mayor Fraser for his service.

Discuss City Labor Attorney Appointment

The City Manager reviewed that on November 7, 2016 City Council discussed the possible appointment of Dick Dinon as the City's Labor Counsel. Mr. Dinon submitted an engagement letter that the City Attorney James Murray stated was not consistent with how past appointments were handled and thought a proposal from Dick Dinon would be more appropriate. The City Attorney also stated that his firm, Plunkett Cooney, had worked with The Danielson Group for labor counsel and that City Council may want to entertain a proposal from their law firm also.

The City Manager reviewed that according to Section 5.4 City Attorney of the City Charter, *"The city council shall appoint the city attorney who shall serve as the chief legal advisor to the city council, the city manager, and all departments and agencies of the City."*

City Councilmembers were presented with two proposals from Dick Dinon, Dinon Law PLLC, and The Danielson Group, P.C. City Councilmembers reviewed the proposals; confirmed there would not be an expense to bring up The Danielson Group to interview; and concurred to interview both firms at a special meeting.

The City Manager will contact Councilmembers concerning dates to schedule a special meeting in the near future.

Resolution No. 19019 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 revenues and expenditures increase by \$400,000 to record the Rental Rehab grant awarded to the City and which the Developer and State went forward with in 2016. The rehabilitation project at 414 Waukazoo Avenue was not included in the original budget, since the City had not received notification that the Developer was ready to proceed with the project this year.

The Downtown Management Fund revenue and expenditure adjustments are for increased sponsorship fees received and increased expenditures for programs and services. The majority of the increase was for the Petoskey Rocks program, which was approved by the Downtown Management Board with the excess funded from cash reserves.

The City Council was being asked to adopt the resolution that would amend total budget amounts of 2016 for these two funds.

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

WHEREAS, at the close of the City's 2016 fiscal year, the City staff has determined that expenditures within two City funds are anticipated to differ from amounts that had been budgeted for:

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

	<u>Original</u>	<u>Amendment</u>	<u>Difference</u>
General Fund			
Revenues	<u>\$ 7,699,300</u>	<u>\$ 8,099,300</u>	<u>\$ 400,000</u>
Expenditures:			
General Governmental Services	\$ 1,618,600	\$ 2,018,600	\$ 400,000
Public Safety	2,940,800	2,940,800	0
Public Works	617,600	617,600	0
Recreation and Cultural	<u>2,516,800</u>	<u>2,516,800</u>	<u>0</u>
Total Expenditures	<u>\$ 7,693,800</u>	<u>\$ 8,093,800</u>	<u>\$ 400,000</u>
Downtown Management Fund			
Revenues	<u>\$ 144,100</u>	<u>\$ 156,800</u>	<u>\$ 12,700</u>
Expenditures	<u>\$ 140,700</u>	<u>\$ 163,700</u>	<u>\$ 23,000</u>

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19020 – Approve 2%
Wage Increase for City Manager

Article 5.2 states, “*The compensation for subsequent years shall be mutually agreed upon between the Employee and City Council.*”

The City Manager reviewed that included in the approved 2017 Annual Budget was a 2% wage increase for all non-union employees including the City Manager. Per the City Manager’s Employee Contract, Compensation

City Councilmembers commented that past practice on City Manager raises were discussed during evaluation process.

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

WHEREAS, the City of Petoskey City Council approved the 2017 City Budget on November 21, 2016; and

WHEREAS, the 2017 City Budget included a two percent (2%) wage increase for non-union City employees including the City Manager; and

WHEREAS, the City Manager's Employment Contract states, "The compensation for subsequent years shall be mutually agreed upon between the Employee and City Council.":

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council approves a two percent (2%) wage increase for the City Manager starting January 1, 2017.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19021 – Approve
Grant of Driveway Easement
558 West Lake Street

The City Manager reviewed that the property owner and residence at 558 West Lake Street has been for sale and an offer of purchase has been accepted contingent upon correcting two property issues related to title matters discovered during the title search. The first issue relates

to a storm sewer line and outlet utilized by the City that runs north/south across the property. This underground utility requires a defined easement be granted by the owner, Anne Folsom, to the City for access to perform tasks related to the storm sewer line and outlet. The storm sewer easement will be 20' wide, sufficient width for the Public Works Department to address maintenance issues or replace at some time in the future. There is no official action needed by the City for establishment of a storm sewer line easement which will be granted by the property owner.

The second issue requires City Council to approve a Grant of Driveway Easement. 558 West Lake Street has a circular drive with two driveway access points. The two access points of the circular drive allowing ingress and egress to the property as well as utilities for the home cross City-owned property. A Grant of Driveway Easement has been requested by the property owner.

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

WHEREAS, Anne G. Folsom, owns property at 558 West Lake Street in the City of Petoskey, Michigan; and

WHEREAS, a recent survey by Benchmark Engineering dated December 7, 2016 shows a circular driveway at 558 West Lake Street crossing City-owned land; and

WHEREAS, the City wishes to grant a non-exclusive easement for a driveway for ingress and egress for both pedestrian and vehicular uses as well as utilities over City land; and

WHEREAS, a Grant of Driveway Easement Agreement has been developed by the City Attorney establishing easements for the circular drive for the benefit of the property that will run with the land in perpetuity:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does hereby approve the Grant of Driveway Easement Agreement on this 19th day of December 2016 and authorize the City Manager or City Attorney to make any final revisions.

Said resolution was adopted by the following vote:

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

NAYS: None (0)

Resolution No. 19022 – Approve
Authorized Representatives for
5/3 Bank Banking Services

The City Manager reviewed that the City maintains various accounts at Fifth Third Bank for depository, checking, trust and investment purposes. As part of that relationship there are various agreements that are entered into to open, close and maintain accounts.

Based on Federal guidelines, Fifth Third Bank is requesting a City resolution listing individuals who are authorized to enter into applicable agreements on behalf of the City in the course of performing these services. The City Charter establishes the City Treasurer as the custodian of all City monies and the Treasurer is to perform necessary duties based on prescribed laws, the City Charter and as directed by the City Manager. The resolution would authorize the Clerk-Treasurer along with the City Manager, in case the Clerk-Treasurer is not available, to enter into applicable agreements, with Fifth Third Bank in performing these bank services and also allows for the appointment of Finance Staff necessary to perform day-to-day banking activities.

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

WHEREAS, the City of Petoskey (City) maintains accounts at Fifth Third Bank (Bank) for trust, depository, checking, custodial and investment purposes; and

WHEREAS, Fifth Third Bank requires a resolution listing the individuals authorized to perform these services for the City and appoint individuals to perform the day-to-day duties with respect to these services:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does hereby authorize Alan Terry, Clerk-Treasurer and Rob Straebel, City Manager to sign applicable agreements with Fifth Third Bank to provide trust, agency, investment management and custodial services for the City and are authorized to appoint other individuals to perform day-to-day duties with respect to Fifth Third Bank services.

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 Councilmember Wills presented Mayor Fraser with a plaque thanking him for his service over the years. Mayor

Fraser also thanked City staff and citizens of Petoskey for their support.

There being no further business to come before the City Council, this December 19, 2016, meeting of the City Council adjourned at 8:00 P.M.

W.J. Fraser, Mayor

Alan Terry, City Clerk-Treasurer