

**JANUARY 24, 2012
REGULAR MEETING**

**RECORD OF THE PROCEEDINGS OF THE REGULAR BOYNE CITY
COMMISSION MEETING DULY CALLED AND HELD AT BOYNE CITY
HALL, 319 NORTH LAKE STREET, ON TUESDAY JANUARY 24, 2012**

CALL TO ORDER

Mayor Ron Grunch called the meeting to order at noon followed by the Pledge of Allegiance.

Present: Mayor Ron Grunch, Mayor Pro-Tem Gene Towne,
Commissioners Derek Gaylord, Laura Sansom and Tom Neidhamer

Staff: Scott McPherson, Andy Kovolski, Michael Cain, Barb Brooks, Dan Meads, Craig Remsberg, John LaMont, Keith Hausler and Karen Seeley

Others: There were 10 citizens in attendance, including representatives from the Petoskey News Review and Charlevoix County News

CONSENT AGENDA

Commissioner Gayord asked for his motion to be clarified in the January 10, 2012 minutes. The motion regarding the electric gate system at the North Boyne Yard. The motion read "and install an electric gate system at the entrance that will limit a access to the yard". Should read "and install an electric gate system around the equipment and storage area".....

2012-01-005

Moved by Sansom
Second by Towne

2012-01-005A

Approval of the January 10, 2012 regular City Commission meeting minutes as amended

Ayes: 5

Nays: 0

Absent: 0

Motion carried

CITIZENS COMMENTS

John McCahan, city resident, clarified that he had provided Traverse City's noise ordinance to the City Commission at the last meeting. He proposed it as a model for Boyne City. He asked Scott McPherson what would be the next step and was informed that he has no plans to investigate a noise ordinance unless directed to do so by the City Commission. Mr. McCahan is requesting the City Commission direct city staff to investigate.

CORRESPONDENCE

Invitation from the Northwest Michigan Council of Governments to attend a regional transportation planning meeting
Correspondence the City of Grand Haven requesting support of federal funding of dredging Michigan Harbors along the Great Lakes
MML Capital Conference, Wednesday March 21, 2012, Early Registration ends Thursday February 23, 2012
Solar Training Webinar regarding installing Solar on Municipal Facilities will begin at 1:00 pm today

CITY MANAGERS REPORT

City Manager Cain reported:

- Absentee Ballots are now available for the February 28th Presidential Primary Election. A voter can only vote Republican or Democratic and must select one when they fill out their application.

- The City has been advised that we were not successful in our efforts to obtain a FEMA grant of about \$183,000 to purchase a new ambulance.
- The SOBO Arts Festival is looking for additional revenue sources to help fund the annual SOBO Arts Festival. The committee is in the process of completing a grant to the Great Lakes Energy People's Fund for \$1000, this will help their overall budget of \$3000, this project is being coordinated with the Main Street Program
- Despite the warm weather and rain both ice rinks in the City remain open and operational for free skating.
- The company doing the Soil Borings around the City Hall was back today to finish their work. We anticipate having results by our next City Commission meeting.
- Kirtland Products is closed today so they can install two new mufflers for their stacks. After the mufflers are installed they hope to return to two shifts operating roughly between 6am and 11pm weekdays.
- The second phase of the City's Goal Setting process will go live this afternoon with surveys available on the internet from the City's website or by paper survey available at City Hall, the Library, the Chamber of Commerce and Glen's. This will be open until Monday, February 6th at noon, when all surveys are due. We anticipate having preliminary results available in time for Tuesday, February 7th's Joint Board and Commission Meeting.
- City Manager will be out of the office for a good part of next week for a MLGMA meeting in East Lansing.
- Experimenting with an electronic agenda process for today's meeting. These will be PDF packets; can be used with laptops, Kindles or smart phones. This will improve communication with our citizens as well, as they can follow along at the meetings with the entire agenda packet. And hopefully if we find a system that works and can streamline the process we could get by with a lot less paper.
- Boyne City name tags: each commissioner should have one to help identify them as City Commissioner.
- Mayor Grunch requested business cards also? We could work on that and come up with some mock copies.
- City logo shirts, all City Commissioners have had one in past, if this is something you are interested, we will talk about it in the future.

The December Financial Statement was received and filed

Consideration to approve the proposed Rental Rehabilitation Program Grant Request as proposed by Northern Homes to hire them as an independent contractor to apply for and manage the proposed \$70,000 MSHDA grant to improve the property at 310 South Lake Street, as approved by the Planning Commission, plus \$8,800 in administrative and soft costs.

City Manager Cain explained that the project calls for the creation of two apartments in the existing attic of the building. The project was reviewed

**REPORTS OF OFFICERS,
BOARDS, AND STANDING
COMMITTEES**

**GRANT OPPORTUNITY
Rental Rehabilitation
Program Grant Request**

and approved by the Planning Commission at their January 16th meeting. The project involves no financial contribution from the City, however, like the façade projects downtown, the grant must be applied for by the City who will be ultimately responsible for its proper implementation. That is what we would be hiring Northern Homes to oversee. We have had past experiences working with Northern Homes and we have been very pleased with the results.

Ken Kruzel, property owner, stated currently he has three apartments in the building and is looking to add two more.

Jane MacKenzie, Executive Director, Northern Homes Community Development Corporation explained that MSHDA will fund 75% of the project cost up to a maximum of \$35,000 for each new unit. The owner must commit 25% of their own funds. A five year lien is placed on the property, and the MSHDA funds are forgiven at the end of five years as long as the property owner meets the terms and conditions of the lien. Only one apartment will be income restricted with the Fair Market Rent as set by HUD, adjusted for tenant paid utility allowances, set by MSHDA.

Staff comments: None

Board deliberations: Mayor Pro-Tem Towne said we have used Northern Homes before on other projects and he's happy with that, he is also happy that there is no financial contribution from the city. It was checked out by the Planning Commission and I'm good with it.

Commissioner Gaylord: Commented that there was not a whole lot of information provided and has a few questions: Has the city been involved with this type of project before? No, but we have done similar projects with the façade improvement grants in the downtown. If only one of the apartments is income restricted does that mean that anyone of any income can rent the other apartment? Yes. Who would be subsidizing the other? There is no rental subsidy that goes with it; Mr. Kruzel agrees to lower the rent on the other apartment, which is a lien restriction on the property for five years. For a two bedroom apartment, it will be \$633 per month, including utilities. Commissioner Gaylord asked Mr. Kruzel if these two apartments are next to each other and one is only paying \$633 and the other is higher how will does that work? There will be five apartments total, of different sizes and each of them will have a different rate. Any data on the low income housing needs? The data that we have was gathered before the market collapsed. Commissioner Gaylord said he is concerned about how this will affect other businesses downtown that did not receive a grant. Ms. MacKenzie explained that there was only one other business downtown that met MSHDA's criteria, and they didn't want to work with MSHDA. Mr. Kruzel said there is a second part of this also, you are revitalizing the downtown area and allowing the possibility for people to walk to work. I had empty space and there were grant monies available to do it. Without the grant, there would be no way this would be possible.

Commissioner Sansom: It's really nice to have a mix of apartment's downtown and to have people live, work and shop downtown. It's great that the grants are available for that process. Commissioner Sansom asked Ms. MacKenzie if these grants are available on a yearly basis and

to the same community, or do they just select one community and rotate?
How much money is available through this program?

I'm sure MSHDA's budget has caps for this program. But if we feel we have someone that meets their criteria, we ask them to come up and take a look at it. If someone in the future or even yet this year feels they want to apply, they can do so. That is what we hope happens, once the word gets out.

City Manager Cain explained it's really great that someone like Mr. Kruzel stepped up to lead the way on this project and it may encourage others to do the same. Also, there has been a question if Mr. Kruzel doesn't finish this project, is there any way the City would be stuck with this? Yes, if he doesn't finish the project. Mr. Kruzel stated that he has a letter of credit from the bank stating the funds are there to finish the project, which he needed to satisfy MSHDA. Commissioner Sansom: I'm good with it. Commissioner Neidhamer: I'm good with it. This is a good example of State money being used for the right purpose of helping locals. I would support a motion to approve.

Mayor Grunch: The low rental apartment, would they be able to use a HUD voucher issued by the Housing Commission? Yes, they can be used for any of Mr. Kruzel's apartments.

2012-01-006

Moved by Neidhamer

Second by Towne

To approve the proposed Rental Rehabilitation Program Grant Request as proposed by Northern Homes to hire them as an independent contractor to apply for and manage the proposed \$75,000 MSHDA grant to improve the property at 310 South Lake Street, as approved by the Planning Commission, plus \$8,800 in administrative and soft costs.

Ayes: 4

Nays: Gaylord

Absent: 0

Motion carried

Planning Commission
Ordinance

Consideration of first reading of a Planning Commission Ordinance amendment and schedule a second reading to be held on February 28, 2012.

Planning Director Scott McPherson: In 2008 the revised Michigan Planning Enabling Act was signed into law. The Act consolidated and replaced the County, Township and Municipal enabling acts. One of the changes included in the new act was the requirement that all municipalities must have an ordinance to establish and regulate the Planning Commission. While the City does have an existing Planning Commission Ordinance in place, it is being recommended that a new ordinance be adopted to incorporate several changes and make it consistent with the new act. One significant change in the act is the requirement for representation of a city commission member on the Planning Commission. In the old act this representation was mandatory; the new act has changed this to be discretionary. In the draft ordinance provided, the appointment would be a discretionary appointment made at the pleasure of the Mayor and City Commission. The proposed amendment is being presented to the City Commission at the January 24,

2012, for a first reading. As required by the Boyne City Charter, ordinance amendments cannot be adopted until at least one month after the meeting it is introduced. At its last meeting, the Planning Commission reviewed the ordinance and recommended its approval. If you choose to pursue this act, we can set it for a second reading on February 28th.

Staff comments: None

Board Deliberation: Commissioner Gaylord: The copy I received did not have a copy of the comparative language or the language that will be stricken. I would like to see that before I vote on this. Does the existing board meet the requirements in the current act? Yes, a year ago we reviewed the Planning by-laws and looked at those specific requirements. The Planning commission consists of nine members appointed by the Commission. These are three year terms with staggered appointments. One member may be a member of the City Commission and serve as an ex-officio with full voting rights, at the Commissions discretion, if you don't want to elect a member of the Commission to Planning that is the Commissions decision. I am not opposed to having a member of the City Commission on the Planning Commission; I am opposed to them having voting rights at the Planning level then at the Commission level. This is not a liaison situation, it's a voting member. Mayor Grunch stated that the Commissioner could recuse himself if there was a conflict. This is just the first reading, this gets the process started. City Manager Cain explained that if there are some changes the Commission requires, it can be done before the final adoption.

Mayor Grunch: Commissioner Gaylord makes some good points; I would have liked to have seen the comparative language also.

Commission Sansom: Right now, anyone off the City Commission on another board has voting rights correct? Yes. I'm good with the first reading at this point.

Gaylord moved

To table this for further discussion prior to accepting the first reading.

Mayor Pro-Tem Towne: I'm good with it

Commissioner Neidhamer: Disagrees with Commissioner Gaylord and feels that the Commissioner should be a voting member of Planning Board. As liaison, I am only one of nine board members. I don't think any of us would want to put the time in and research to be on a board, then not have voting power. City Manager Cain, we did have an issue with this on the ZBA and changed the ordinance to reflect that, but to my knowledge this has never been a problem at the Planning level. It may help if we bring back the notes and correspondence with the city attorney at that time to help you clarify things, before the final reading.

Mayor Grunch: This is a draft and the first reading, and staff will have a month to bring back the information we need for clarification. The purpose of this is to fulfill the state requirement.

City Manager Cain clarified that to "table" a subject there is no date certain to bring it back. The City Clerk would prefer that you make a motion to postpone something to a date certain.

Commissioner Sansom: If we go to a second reading we could postpone to a date certain or deny at that meeting? Correct

Commissioner Gaylord stated the he just received this information on Friday.

Moved by Gaylord

To postpone the first reading until the February 14th meeting

Commissioner Neidhamer stated that he has been on the Planning Commission for twenty years and has a lot to offer, but if you take away voting rights, for anyone on any board, you lose the incentive to stay on the board.

Commissioner Sansom asked for clarification that if there were a conflict of an issue, couldn't the board ask the commissioner to abstain from voting? City Manager Cain replied there could be an instance that the board member may want to request permission from the board to abstain from voting if he/she feels it would be conflict of interest. We would have to consider this on a case by case basis, and maybe with guidance from the City attorney. Commissioner Gaylord stated that his motion on the table is in no way calling into question Commissioner Neidhamer's ability to sit on the Planning Board. We may not feel it is a conflict of interest at the time; however down the road it may have the appearance of such.

2012-01-007

Moved by Neidhamer

Second by Towne

To accept the first reading of the Planning Commission Ordinance amendment as presented.

Ayes: 4

Nays: Gaylord

Absent: 0

Motion carried

Scott McPherson, Planning Director explained as required by the Michigan Planning Enabling Act, the Annual Planning report was submitted and reviewed with the Commission. This is informational only.

**Planning Commission
Annual Report**

Consideration to approve an all day Budget Work Session to be held on Tuesday, March 20, 2012 at 8 am and also Tuesday March 27, 2012 at 8 am for an additional Budget Work Session if necessary or other dates / times suggested by the City Commission

**Schedule Budget
work-sessions**

Board deliberation: Commissioner Neidhamer stated that he will be out of town for the meeting March 27, 2012.

Commissioner Sansom suggested March 22 as an alternate date. All commissioners fine with the dates.

2012-01-007

Grunch moved

Gaylord seconded

To approve all day Budget Work Sessions to be held on Tuesday, March 20,

2012 at 8 am and Tuesday March 27, 2012 at 8 am with the addition of March 27, 2012 at 8 am

Ayes: 5
Nays: none
Absent: 0
Motion carried

City Website Update

Barb Brooks, Executive Assistant and web site coordinator explained that in 2010 the City Commission approved the funds to upgrade the City's current website. In the spring of 2011, the City's Main Street program received a grant from the Michigan Main Street through the Historic Trust to have a branding expert work with Main Street to come up with an overall brand that can be used to promote the City's Main Street program. At that time, staff put the City's website upgrade and designs on hold to see if anything came out of the process that Main Street was going through that we may want to incorporate with ours. Last fall, representatives from Gaslight Media were brought back into the mix to revisit the City's proposed upgrades and come up with something we want to move forward with. She shared templates and slides with the board of both the Main Street's branding and the proposed look of the City's site.

Citizen Comments: Martha Radcliff from Senator Howard Walker's office stated how user friendly the City's web site is. She stated that she visits a lot of web sites and this was the best one to navigate through by far.

Ken Allen: Maybe you could be an influence on the County's web site. Theirs is not user friendly at all.

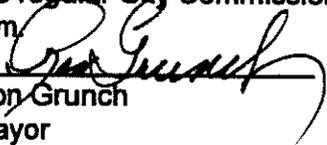
Commissioner Gaylord asked if the new tag line "Where life meets lake" replace "Hometown feel, small town appeal?" No
All the commissioners thanked the Barb and the committee members for a job well done. All were in full support of the changes and direction the website is going.

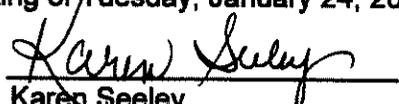
Good of the Order

Commissioner Sansom: I went up by Kirtland products this morning, I don't know if the new mufflers were on or not but they still seem pretty noisy.
Commissioner Gaylord: It has been brought to my attention that the County is looking at sharing assessors with other counties and we would be on our own. What would be our direction? City Manager Cain said he needs to know where the county is with this process and he will check into it.
Mayor Grunch: We just discussed the Amendment to the code of ordinances to be brought back for a second meeting. Will it be possible to receive copies that will be presented prior to the agenda packets? Yes, we will try to get them to you for your review one week prior to the meeting.

ADJOURNMENT

Moved by Mayor Grunch, seconded by Commissioner Sansom to adjourn the regular City Commission meeting of Tuesday, January 24, 2012 at 2:04 p.m.


Ron Grunch
Mayor


Karen Seeley
Deputy Clerk