

**AUGUST 13, 2013
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 AUGUST 13, 2013 AT 7:00 PM

CALL TO ORDER

Mayor Grunch called the meeting to order at 7:00 pm, followed by the Pledge of Allegiance.

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

Staff: Cindy Grice, Michael Cain, Annie Doyle, Scott McPherson, Barb Brooks, Hugh Conklin, Jeff Gaither and Andy Kovolski

Others: There were 10 citizens in attendance, including a representative from the Charlevoix County News.

**CONSENT AGENDA
MOTION**

2013-08-103
Moved by Sansom
Second by Towne

To approve the July 23, 2013 City Regular City Commission meeting minutes as presented

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

Main Street Director Hugh Conklin introduced Bob Grove, new owner of the Dilworth. Mr. Grove discussed his plans to restore the Dilworth to its original state. It will be an asset to the City when it's done. They are now concentrating on fixing the appearance of the building and are hoping to have it done in two years.

All Commissioners thanked Mr. Grove for taking on this project. The community is thrilled and it is another economic engine for the downtown. City Manager Cain added that if the community only knew of the perseverance it took to get to this point.

Mary Palmer stated she is thrilled and very excited that Mr. Grove purchased the building.

CORRESPONDENCE

Jim Baumann said he is also thrilled about this and thanked Andy Kovolski and staff for everything done this past weekend. He heard that there were record sales this year at the Sidewalk Sales.

Correspondence from the US Department of the Interior, Fish and Wildlife Service regarding permission to treat the Boyne River system for sea lamprey; Correspondence from The Michigan Township Participating Plan regarding receipt of grant funds in the amount of \$4,700 from the Risk Reduction Grant Program; Correspondence from the Michigan Municipal League regarding their September 17 – 20, 2013 Annual Meeting in Detroit; Correspondence from Brenda Reber regarding Water / Wastewater Department staff; and correspondence from the State of Michigan, Department of Licensing & Regulatory Affairs regarding transfer of escrowed Resort B-Hotel & SDM Liquor license to WD Cellars, LLC at 300 Water Street were received and filed.

Ron Crozier thanked Barb Brooks and her crew for mowing the center of the Veterans Memorial.

City Manager Cain reported:

- Scott McPherson introduced Annie Doyle, our new Assistant Planner. Ms. Doyle said she is excited to be here. Boyne City is an amazing and with it community and she thanked everyone for allowing her to be here. Her office is always open.
- We have heard nothing more regarding the Kirtland matter.
- The Douglas Street reconstruction project is moving along well. Change orders have taken place, but the project is still under budget.
- The new water/wastewater pick up truck and DPW mower have been delivered.
- The annual Chamber of Commerce luncheon will be held on September 12 at Sommerset Point.
- The Grain Train expects to open on October 1

CITY MANAGERS REPORT

Draft Minutes of the July 8, 2013 Local Development Finance Authority meeting; the July 8, 2013 Economic Development Authority meeting; the July 15, 2013 Planning Commission Meeting; the July 18, 2013 Parks & Recreation Commission Meeting and the July 25, 2013 Airport Advisory Board Meeting were received and filed.

REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES

Public Hearing and consideration to approve the recommendation from the Economic Development Corporation Board to approve a ten year Industrial Facilities Exemption request (IFEC) from Classic Instruments and authorize the City Manager and City Clerk/Treasurer to sign and submit the documents necessary to execute the abatement as requested

Classic Instruments Industrial Facilities Exemption Certificate

Mayor Grunch opened the Public Hearing at 7:24 p.m.

City Manager Cain discussed the tax abatement application Classic Instruments made for new machinery, equipment and building improvements. At their July 8, 2013 meeting, the EDC board approved a motion recommending a ten year abatement. Factors considered were the number of jobs proposed, the average wages, stability of the jobs, the amount of the investment in new machinery and equipment, which in this case is \$549,386, the type of industry, whether new utilities are required, building appearance and an overall catch-all category.

Classic Instruments owner John McLeod added that the building construction is ahead of schedule, two new employees have just been hired and they just finished another national show for their products.

Board Deliberation: Commissioner Sansom said it is a good fit, always impressive and anything we can do, we will assist. Commissioner Gaylord agrees. He is glad and proud to have Classic Instruments in the community. This allows business owners to do to do what they do best. Commissioner Neidhamer and Mayor Pro-Tem Towne agree. Mayor Grunch said he is also in support thanks thanked John for keeping Classic Instruments in Boyne City.

The Public Hearing was closed at 7:30 and reopened at 7:32 p.m.

Jim Baumann said he agrees with the recommendation. Manufacturing is coming back nationwide and this is an opportunity to have their own

building. Mayor Grunch closed the Public Hearing at 7:35 p.m.

MOTION

2013-08-104

Moved by Towne

Second by Gaylord

To approve a ten year Industrial Facilities Exemption request (IFEC) from Classic Instruments and authorize the City Manager and City Clerk/Treasurer to sign and submit the documents necessary to execute the abatement as requested

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Classic Instruments
Fundraiser Donation**

City Manager Cain announced this past weekend, Classic Instruments held their annual car show. They raised \$1,300 and presented these funds to the Police Chief and City Manager to support the ongoing bicycle patrol program. The Commissioners thanked John McLeod for the company's generosity.

**Precision Edge Surgical
Products Co, LLC
Industrial Facilities
Exemption Certificate**

Public Hearing and consideration to approve the recommendation from the Economic Development Corporation Board to approve a twelve year Industrial Facilities Exemption request (IFEC) from Precision Edge Surgical Products Co, LLC and authorize the City Manager and City Clerk/Treasurer to sign and submit the documents necessary to execute the abatement as requested.

City Manager Cain discussed the tax abatement application of Precision Edge Surgical Products Co. LLC for new machinery and equipment. At their July 8, 2013 meeting, the EDC board approved a motion recommending a twelve year abatement, the maximum abatement period allowed. Factors considered were the number of jobs proposed, the average wages, stability of the jobs, the amount of the investment in new machinery and equipment which is \$2,459,872, the type of industry, whether new utilities are required (they are not), building appearance and an overall catch-all category. Precision Edge General Manager Todd Fewins said 59 new employees are anticipated to be added. They are actively recruiting.

Mayor Grunch opened the Public Hearing at 7:37 p.m.

Jim Bauman said this is a slam dunk like Classic Instruments. The abatement is for 59 new jobs.

John McLeod said Precision Edge has been very instrumental in helping his company grow. They are good neighbors and are a huge asset to the area.

Mayor Grunch closed the Public Hearing at 7:39 p.m.

Board Deliberation: Commissioner Neidhamer is in full support and appreciates Precision Edge. Mayor Pro-Tem Towne agrees. Commissioner Gaylord said it is clear that the organization is run by high caliber people. We create an environment to allow companies who know

what they're doing do what they do. Commissioner Sansom said she agrees. There is a lot of excitement and to see the company grow is pleasing to the community.

2013-08-105

Moved by Gaylord
Second by Sansom

To approve a twelve year Industrial Facilities Exemption request (IFEC) from Precision Edge Surgical Products Co, LLC and authorize the City Manager and City Clerk/Treasurer to sign and submit the documents necessary to execute the abatement as requested.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Consideration to authorize staff to submit a grant application to Consumers Energy for the Tree Planting Grant Program for a total project cost of \$2,450 and possible grant award of \$1,000 and authorize the City Manager to execute the documents

Consumers Energy Tree Planting Grant

Public Works Superintendent Andy Kovolski discussed the proposed Consumers Energy Tree Planting Grant. We identified the area outside Maple Lawn Cemetery as the planting area for 5 Red Maple and 5 Sugar maples. The total cost of the project would be \$2,450. If the City is awarded the full \$1,000, our cost would be \$1,450 of which funds are available in the local street fund.

Staff Comments: Clerk / Treasurer Grice fully agrees with the recommendation.

Citizens Comments: None

Board Deliberation: Commissioner Gaylord said the tree project is a big part of Boyne City and inquired from Andy what data did he have to reference global warming in the grant application. He added he thinks it would be more appropriate to state the contribution to the eco system as more appropriate language. Commissioner Sansom said she is always in full support of trees. She is ok with the global warming aspect comments. Commissioner Neidhamer said he is in full support. This is part of our program. Mayor Grunch and Mayor Pro-Tem Towne are also in full support.

2013-08-106

Moved by Towne
Second by Sansom

MOTION

To authorize staff to submit a grant application to Consumers Energy for the Tree Planting Grant Program for a total project cost of \$2,450 and possible grant award of \$1,000 and authorize the City Manager to execute the documents

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Consideration to adopt the resolutions accepting the terms of the addendum for the Waterways Emergency Dredging Grant as presented by the MDNR, Parks and Recreation Division, as presented.

Marina Dredging Grant

Harbormaster Barb Brooks discussed the grant agreement addendum for the 2013 Michigan Waterways / DBR dredging grant. In earlier correspondence with the State and the original grant agreement, an addendum was referenced to firm up the grant amount in the agreement once final engineering was completed and a professional opinion on the cost estimate was submitted. The cost estimate came in at \$197,487 much higher than the \$105,000 originally estimated. When the addendum to the DNR was submitted, Barb made sure to reflect the new estimated cost so the DNR could see our short fall. When the official addendum came back to us from the State, it reflected the \$197,487 instead of the \$105,000 capped amount.

Staff Comments: None

Citizens Comments: None

Board Deliberation: Commissioner Sansom said we still need to dredge, still have the grant and we should move forward. Commissioner Gaylord asked if the order of priority of dredging is based on the layout of the map and Barb said, not necessarily. Commissioner Neidhamer, Mayor Pro-Tem Towne and Mayor Grunch agree with the recommendation.

2013-08-107
 Moved by Towne
 Second by Neidhamer

MOTION

To adopt the resolutions accepting the terms of the addendum for the Waterways Emergency Dredging Grant as presented by the MDNR, Parks and Recreation Division, as presented.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Consideration to authorize the City Manager to sign and submit the Draft Permit from the MDEQ for Countersignature for dredging the harbor

Marina Dredging Permit

Harbormaster Barb Brooks discussed the draft permit for countersignature from the DEQ for dredging. Once the permit is signed by the City and sent back to the DEQ for processing, we should get our approvals from the USACE as well. We had been in contact with the USACE representative earlier this summer and they indicated they were ready to move and were awaiting the DEQ

to finalize their process.

Abonmarche has started the bid documents and now that they have the specifics of the permit, they will be able to bid this out in a timely manner. It is our intent to dredge this fall.

Staff Comments: None

Citizens Comments: None

Board Deliberation: All are in agreement with the recommendation.

2013-08-108
 Moved by Sansom
 Second by Gaylord

To authorize the City Manager to sign and submit the Draft Permit from the MDEQ for Countersignature for dredging the harbor

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Commissioner Sansom said she has heard from people that not all vehicles stop at the pedestrian cross walks. Commissioner Neidhamer asked Police Chief Gaither to further discuss the bicycle patrol program. Commissioner Neidhamer and Mayor Grunch said they are in full support of the bicycle program.

GOOD OF THE ORDER

2013-08-109
 Moved by Grunch
 Second by Towne

Request of the City Manager to go into closed session to consider the purchase of real property as provided in MCL 15.268 (d) of the Michigan Open Meetings Act (PA 267 of 1976) at 8:21 pm

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

**CLOSED SESSION
 MOTION**

2013-08-110
 Moved by Grunch
 Second by Gaylord

To return to open session at 10:03 pm

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

RETURN TO OPEN SESSION

MOTION

Moved by Mayor Grunch, seconded by Commissioner Gaylord to adjourn the regular City Commission meeting of August 13, 2013 at 10:04 p.m.

ADJOURNMENT

Ron Grunch
Mayor

Cindy Grice
Clerk / Treasurer