

**APRIL 14, 2015
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 APRIL 14, 2015

CALL TO ORDER

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

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

Absent: None

Staff: Cindy Grice, Michael Cain, Scott McPherson, Barb Brooks, Lori Meeder, Andy Kovolski, Mark Fowler, John Lamont, Kevin Spate

Others: There were 13 citizens in attendance including representatives from the Petoskey News Review and Charlevoix County News.

**CONSENT AGENDA
MOTION**

2015-04-036

Moved by Towne
Second by Sansom

2015-04-036A

Approval of the March 17, 2015 City Commission Budget Work Session meeting minutes as presented

2015-04-036B

Approval of the March 24, 2015 City Commission regular meeting minutes as presented

2015-04-036C

Approval of the recommendation of the Historical Commission to approve Jerry Kelts to a three year term expiring June 30, 2018

2015-04-036D

Approval of Lucy Hartlove to the Boyne District Library for a four year term beginning May 1, 2015 and expiring April, 2019

2015-04-036E

Approval of the request from the Boyne City Farmers Market to apply for a one-day liquor license from the Michigan Liquor Control Commission for a Food Truck Rally fundraising event on July 16, 2015 at Veterans Park

2015-04-036F

Approval of the request from the Boyne City Farmers Market to apply for a one-day liquor license from the Michigan Liquor Control Commission for a Farm Meal fundraising event on July 25, 2015 at Elvyn Lea Lodge

2015-04-036G

Approval to contract with Flotation Docking Systems to repair the marina's floating head pier by installing buoyancy compensators in the amount of \$8,700 and authorize the City Manager to execute the documents

2015-04-036H

Approval to proclaim Thursday April 23, 2015 Arbor Day in the City of Boyne City

2015-04-036I

Approval of the Boyne City Municipal Airport Courtesy Vehicle Policy as presented and recommended by the Airport Advisory Board

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

The agenda item regarding the CDBG Certified Grant Administrator has been moved to New Business.

CITIZENS COMMENTS

None

CORRESPONDENCE

Correspondence from Magnum Hospitality requesting two-hour parking on the 29 parking spaces on Water Street, south of the Front Street corner. City Manager Cain will be issuing a temporary Traffic Control Order designating 13 two our parking spaces located on the south side of Water Street west of the intersection with Front Street to its western terminus.

Mayor Grunch stated that Correspondence was received from Alison and Gary Mellon.

CITY MANAGERS REPORT

City Manager Cain reported:

- The water run advisory has ended.
- The recurring problems with well #4 have been determined as electrical.
- Staff has met with Parkview Apartments representatives and their team. We anticipate a proposal from them soon.
- Boyne City has been again designated as a Tree City
 Congratulation to the Boyne City Schools for their recent success.
- The Michigan Mountain Mayhem events have been requested again by Paul Nicholls.
- One week remains for City Commissioner petitions to be turned in.

REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES

Draft Minutes of the March 5, 2015, Main Street Board Meeting; the March 9, 2015, Planning Commission Meeting; the March 12, 2015, Parks and Recreation Board Meeting; the March 23, 2015, Historical Commission Meeting were received and filed.

Sommerset Pointe Update

The project is moving forward. Expect to formally consider the agreement at the April 28, 2015 City Commission meeting.

Court Street Reconstruction Project

Consideration of approval to proceed with the Court Street Construction project as an Advance Construction project through MDOT as outlined and authorize the City Manager to sign the required documents

Public Works Superintendent Andy Kovolski discussed the Court Street funding. In January, the Task Force assured us this project funding was secure and would be in the March bid letting, but it was not. Upon contacting MDOT to find out why, we were informed that the Federal Funding stream had only sent 2/3 of the state's allowance for the 2015 Road projects for distribution. The City has two options at this point. Do an Advance Construct where the City would guarantee the shortfall funds until complete funding comes through. If they do not, the City would be responsible for the amount that didn't, or go back to the Regional Task Force and see if the project could be moved to next year. Projects are typically 3 – 5 years in advance thru this process. City Manager Cain said it is an unforeseen circumstance. All our pieces

are properly in place. It would be more likely be resolved in our favor but there are no guarantees. He recommends going forward with the project. It will be one we are proud of.

Staff Comments: None

Citizens Comments: Michelle Cortright, Evangeline Township Trustee. This project will be in cooperation with their township and it is a high priority for them.

Board Discussion: Commissioner Sansom said we have been trying to get Court Street done for some time. We should take our chances and hope for the best. Commissioner Gaylord said he probably wouldn't gamble with city taxpayer dollars. It's a wonderful project. Based on the information he was given, he supported because of a grant going thru. Now, are we willing to gamble away 50% of our fund balance. He is not in favor of that. Mayor Pro-Tem Towne said he thinks we should move forward with it. Commissioner Neidhamer agrees with points from everyone. We are spoiled with our projects being done with grant funds. He is cautiously in support of admin's recommendation. Mayor Grunch said he looks at the glass as more than half full. This seems reasonable. It will be taxpayer money well spent. This has been on the top of the list of roads and we have spent thousands of dollars in maintenance. He is in full support.

2015-04-037

Moved by Towne

Second by Neidhamer

MOTION

To approve to proceed with the Court Street Construction project as an Advance Construction project through MDOT as outlined and authorize the City Manager to sign the required documents

Ayes: 4

Nays: 1, Commissioner Gaylord

Absent: 0

Motion carried

**Public Hearing Community
Development Block Grant
Close-Out**

Public Hearing to hear Citizens Comments regarding the CDBG Grant #MSC-213027-DIG, in which federal funds were used for infrastructure and street improvements on Ray and S. East Street, and the alley behind Water Street.

Mayor Grunch opened the Public Hearing at 7:45 p.m.

Sara Christensen of Northern Lakes Economic Alliance discussed the grant. It was of \$583,519 and locally matched by \$250,081. Infrastructure improvements including new water and sewer mains, storm water drainage installation and upgrades, complete road construction including curb and gutter and the burial of overhead utilities. Streetscape and improved pedestrian walkways were also part of this project. MEDC staff will conduct a visit this spring.

City manager Cain said this is one opportunity that federal funds did come thru. We used LED street lights. There was no other public comment.

Commissioner Gaylord said it was an a fantastic project. Timelines allowed the decision to place underground utilities. It is well worth it. All other Commissioners agree.

Mayor Grunch closed the Public Hearing at 7:48 p.m.

**Public Hearing – Proposed
FYE 2016 Budget**

Public Hearing to hear Citizen comments regarding the General Appropriations for the FYE 2016 Budget as required by statutory regulations.

Mayor Grunch opened the Public Hearing at 7:49 p.m.

Clerk / Treasurer said this is another opportunity to hear citizens comments regarding the budget. It has been available on our website, at the Library and at City Hall. A full day budget review work session was held to go thru each line item with department heads. City Manager Cain said we are doing everything in this budget with existing staff levels, that have been the lowest staff levels in recent history. It is very transparent and another example of spending taxpayers money wisely.

Jim Baumann said with the savings on the DPW facility, there are the funds for Court Street.

Board Discussion: Commissioner Neidhamer said he is proud of the budget, it is a good document. Mayor Pro-Tem Towne agrees. Commissioner Gaylord said he agrees with almost all projects. Has issues with line item for debt reduction not being funded. He had questions on the wage increase of 3% because no comps were presented. As presented, he can't support it in totality. Commissioner Sansom said all in all it is a good solid budget. Things will change as we go along. It is workable. Mayor Grunch agrees.

Mayor Grunch closed the Public Hearing at 7:56 p.m.

Millage Rate Resolution

Consideration to adopt the Resolution to Establish a Millage Rate of 15.51 for the City of Boyne City FY 2015/2016.

Citizens Comments: None

Staff Comments: None

Board Discussion: None

MOTION

2015-04-038
Moved by Towne
Second by Sansom

To approve to adopt the Resolution to Establish a Millage Rate of 15.51 for the City of Boyne City FY 2015/2016

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**General Appropriations
Act Resolution**

Consideration to adopt the General Appropriations Act for FY 2015/2016 Resolution.

Citizens Comments: None

Staff Comments: None

Board Discussion: None

MOTION

2015-04-039

Moved by Neidhamer

Second by Towne

To approve to adopt the General Appropriations Act for FY 2015/2016 Resolution.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Fee Schedule Resolution

Consideration to adopt Fee Schedule for FY 2015/2016 Resolution.

Citizens Comments: None

Staff Comments: None

Board Discussion: Commissioner Gaylord said he agrees with all except the 1.6% increase in water/wastewater rates because of lack of information to support that increase. Mayor Grunch said it is an inflation cost, we need to keep it funded.

MOTION

2015-04-040

Moved by Towne

Second by Sansom

To approve to adopt the Fee Schedule for FY 2015/2016 Resolution

Ayes: 4

Nays: 1, Commissioner Gaylord

Absent: 0

Motion carried

DDA Plan Amendment

Consideration to review and discuss the proposed Amendment / Ordinance to the Boyne City DDA Development Plan and Tax Increment Financing Plan and set a public hearing for the May 26, 2015 City Commission meeting.

Main Street Director Lori Meeder discussed the proposed amendment. The City and the DDA have two very important redevelopment projects moving forward in 2015. The restoration of the Dilworth Hotel and the redevelopment of South Lake Street by Catt Development into a mixed use facility that will include affordable housing, a restaurant and retail space. The projects are both significant in terms of scope and investment and will be extremely positive not only for our downtown, but for our community as a whole.

To make the projects economically feasible for owners, it requires a variety of gap funding sources, including CDBG grants through the MEDC, MSHDA grants, historic tax credits through the National Trust for Historic Preservation and Brownfield tax credits through the Charlevoix County Brownfield Redevelopment Authority for lead and asbestos abatement and demolition, and DDA TIF for additional eligible activities.

The DDA / Main Street Board have begun discussion and review of an Amendment to the Boyne City DDA Development Plan and TIF plan to provide for reimbursement of additional eligible activities from future tax increment revenue of these particular projects. This local investment in the project will help leverage state and federal investment dollars available. It is anticipated that only new tax revenues generated by the increased tax base from these completed projects would be used by the DDA to help make these projects possible. The DDA / Main Street Board is requesting that the City Commission introduce the draft plan Amendment / Ordinance and set a public hearing at its May 26, 2015 City Commission meeting.

Mac McClelland, our consultant from Otwell Mawby presented an overview of the projects, along with the process. Developer Glen Catt of the South Lake Street project said the gap funding sources are important to keep the square footage construction costs for commercial tenants at \$10 to \$12 a foot. Bob Grove, of the Dilworth Hotel said this is for the love of history and architecture. This can't make positive sense without this help. City Manager Cain said we are fortunate to be in this position. We are working together to make this happen.

Citizen Comments: None

Board Discussion: Commissioner Neidhamer said it's an example of private and government working together. We are fortunate to have the staff, Mr Catt and Mr. Grove. Mayor Pro-Tem Towne said both projects are important for the area and great for economic development. Commissioner Gaylord asked what would prohibit other businesses from doing this and was informed if these options would be available if they qualified. Commissioner Sansom said there's a lot of excitement for both projects and overwhelming support throughout the community.

MOTION

2015-04-041

Moved by Sansom

Second by Neidhamer

To approve set a public hearing for the May 26, 2015 City Commission meeting for the proposed Amendment / Ordinance to the Boyne City DDA Development Plan and Tax Increment Financing Plan.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Brief Recess

MOTION

2015-04-042

Moved by Grunch

Second by Towne

To take a brief recess at 8:45 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

RECONVENE
MOTION

2015-04-043
Moved by Grunch
Second by Gaylord

To reconvene the meeting at 8:55 p.m.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Pavement Marking Bids

Consideration to approve a contract with PK Contracting for pavement marking services in the amount of \$22,308.51 and authorize the City Manager to sign the required documents

Andy Kovolski discussed the bids received. We again combined our bid quantities with the City of Charlevoix in the hopes of getting better pricing and for continuing to work together with other local governments. The low bid was received from PK Contracting.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation.

MOTION

2015-04-044
Moved by Gaylord
Second by Towne

To approve a contract with PK Contracting for pavement marking services in the amount of \$22,308.51 and authorize the City Manager to sign the required documents.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Rubbish Collection Bids

Consideration to award a bid to American Waste for a three year contract for Rubbish Collection performed by their employees only at a total estimated cost of \$81,262 for the three year contract and authorize the City Manager to execute the required documents.

Andy Kovolski discussed the one bid received for the annual Rubbish Collection program. A spreadsheet was provided showing yearly cost breakdowns. This year an addendum was issued to the bid to seek pricing for the bidding contractors to supply all personnel and equipment to

perform the rubbish collection program with use of city staff. They propose to complete this work by increasing their hourly labor and equipment rate. Based on our history of this program, we feel that contracting the total project to American Waste would result in a cost savings for the City of \$9,020 for the first year. It would also free up crew labor to allow us time to complete other projects.

City Manager Cain added that he thinks we should try it for one year to see how it goes.

Staff Comments: None

Citizens Comments: None

Board discussion: Mayor Pro-Tem Towne said he thinks it is worth trying to free up our crew. Commissioner Gaylord said he would like Andy to tally what the crew is doing on those days rather than the pickup. All other Commissioners are in agreement.

MOTION

2015-04-045

Moved by Towne

Second by Sansom

To award a bid to American Waste for a three year contract for Rubbish Collection performed by their employees only at a total estimated cost of \$81,262 for the three year contract and authorize the City Manager to execute the required documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Dumpster Services Bids

Consideration to award the Dumpster service contract to American Waste for dumpster service for three years in the amount of \$13,395 for three years and authorize the City Manager to execute the required documents.

Andy Kovolski discussed the only bid received for dumpster services at various locations. We have added an additional dumpster at North Boyne during the peak summer months.

Staff Comments: None

Citizens Comments: None

Board Discussion: Mayor Pro Tem Towne would have liked to see more bids. Commissioner Gaylord inquired how many haulers are using the North Boyne Yard for disposal. Staff will provide that list. All Commissioners are in support of the recommendation.

MOTION

2015-04-046

Moved by Towne

Second by Sansom

To award the Dumpster service contract to American Waste for dumpster

service for three years in the amount of \$13,395 for three years and authorize the City Manager to execute the required documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Lower Lake Bids

Consideration to award the bid for the Lower Lake Storm Outfall project to Tri-County Excavating in the amount of \$20,919 and authorize the City Manager to sign the required documents.

Andy Kovolski discussed the bids received for the Lower Lake Storm outfall project. The permits for this project have been approved by the DEQ and the Army Corps of Engineers. City Manager Cain added that the property owners have been notified this project is moving forward.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation and the need to complete the project.

MOTION

2015-04-047
Moved by Neidhamer
Second by Gaylord

To award the bid for the Lower Lake Storm Outfall project to Tri-County Excavating in the amount of \$20,919 and authorize the City Manager to sign the required documents

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Philips Cardiac Monitor Defibrillator Purchase

Consideration to purchase a Philips cardiac monitor defibrillator from Allied EMS for \$8,000 and the sale of the Life Pak 12 monitor defibrillator and battery recharge station as proposed and authorize the City Manager to take the necessary steps to implement the transactions.

EMS Director John Lamont discussed the opportunity we have to purchase this monitor from Allied EMS as they continue to wind down their business. It was purchased new in 2011 for a little over \$27,000 and they have reduced their asking price to \$8,000. Similar units are going for \$12,000 on the open market. This would standardize all of our cardiac monitors and should last another 10 plus years for us.

Staff Comments: None

Citizens Comments: None

Board Discussion: Commissioner Gaylord said he is a strong proponent of standardization of the equipment. All other Commissioners are in agreement with the recommendation.

MOTION

2015-04-048
 Moved by Gaylord
 Second by Sansom

To purchase a Philips cardiac monitor defibrillator from Allied EMS for \$8,000 and the sale of the Life Pak 12 monitor defibrillator and battery recharge station as proposed and authorize the City Manager to take the necessary steps to implement the transactions

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

State Funding Road Issue

Consideration of discussion of State Proposal 15-1 and approval of Resolution of Support

City Manager Mike Cain discussed the upcoming State Proposal to increase the sales tax by 1%. This goes before the voters on May 5th and if approved will fundamentally change the way transportation is paid for. This measure has huge implications for Boyne City. It will increase the Revenue Sharing by some 11%. The proposal will cost more. There is no way around it. But the condition of our roads shows the results of paying less. Roads and transportation systems are failing and getting worse every day. We have countered that to some degree in Charlevoix County and Boyne City by using local tax dollars to slow down the rate of decay. If this measure passes, all involved have the same responsibility to give the public their money's worth as we do here in Boyne City. Those who do not should be held accountable by the voters in future elections. This is a critical matter of importance to all residents of Michigan. The Charlevoix County Road Commission and the Boyne City Public Schools have stepped up and encouraged the public to vote yes on the matter.

Staff Comments: None

Citizens Comments: Boyne City Schools Superintendent Peter Moss said the City Manager outlined the problem well. He shared the impact on the schools. We are now receiving \$363 less per student than we received in 2008/2009. Their staff has not received pay raises, more duties have been added to staff. No one has a good plan if this doesn't pass. It is important to remember there are no good alternatives.

Board Discussion: Commissioner Neidhamer said it is going to cost him more. He still doesn't trust Lansing, but should support the schools and the City. If we stand together with the County, it makes a statement. Mayor Pro-Tem Towne agrees and supports the resolution. Commissioner Gaylord said his obligation as a commissioner is to make sure we provide citizens with all information so they can make a decision. It's put on the people to make the decision. There needs to be changes made to the school funding policy. This was all about saving roads and bridges. Changes need to happen. Is it this one? The City of Boyne City is not the sales pitch, but about getting the correct information out there. He strongly opposes the resolution. Not everybody can get what they want. Not his obligation to do a sales pitch. Commissioner Sansom said she personally wants to see the roads fixed and see more money to the

students. She doesn't want to pay the 1% if it doesn't go where it's intended. She doesn't feel comfortable supporting a resolution telling people how they should vote, but if anyone asks her, she will vote for it. Mayor Grunch supports 3 of the solid statements in the resolution.

MOTION

2015-04-049
 Moved by Neidhamer
 Second by Towne

To approve of the proposed Resolution of Support of State Proposal 15-1

Ayes: 3
 Nays: 2, Commissioners Sansom and Gaylord
 Absent: 0
 Motion carried

Grant Administrator Agreement

Consideration to approve of the proposal from the Northern Lakes Economic Alliance at a cost of not to exceed \$10,000 as the Certified Grant Administrator for the Dilworth Project Community Development Block grant and authorize the City Manager to implement this agreement

Main Street Program Director Lori Meeder discussed the requirement of the State of Michigan to solicit bids for the Certified Grant administrator (CGA) for the Dilworth Community Development Block Grant project. Invitations were sent to four CGA's in the MEDC region for this project with only one bid received. This is contingent upon receipt of the MEDC's authorization to expend funds.

Staff Comments: None

Citizens Comments: None

Board Discussion: Commissioner Gaylord inquired which grant and the specifics it was for and was provided the information. All Commissioners are in agreement with the recommendation.

2015-04-050
 Moved by Gaylord
 Second by Sansom

To approve of the proposal from the Northern Lakes Economic Alliance at a cost of not to exceed \$10,000 as the Certified Grant Administrator for the Dilworth Project Community Development Block grant and authorize the City Manager to implement this agreement

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

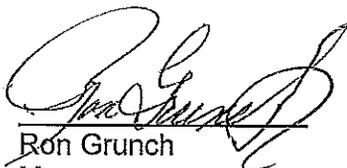
GOOD OF THE ORDER

Commissioner Sansom encouraged people to look at the Pure Michigan Google videos. Commissioner Gaylord discussed a Memorial Weekend Drag race. There are lots of volunteers. Do the same thing we did last fall. He also inquired about a product regarding the lagoons and W/WW Superintendent Mark Fowler said he did research and will be working on

bring that information to the Commission. Commissioner Neidhamer said the Better Boyne are actively and passionately moving forward with the campaign for yes votes for new city facilities millage. Mayor Grunch said the Charlevoix Street lookout is looking rough.

ADJOURNMENT

Moved by Mayor Grunch seconded by Commissioner Gaylord to adjourn the regular City Commission meeting of Tuesday, April 14, 2015 at 10:15 p.m.



Ron Grunch
Mayor



Cindy Gilce
Clerk / Treasurer