

**APRIL 23, 2019
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 23, 2019

CALL TO ORDER

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

Present: Mayor Tom Neidhamer, Mayor Pro-Tem Ron Grunch, Commissioners Hugh Conklin, Sally Page and Dean Solomon

Absent: None

Staff: Cindy Grice, Michael Cain, Scott McPherson, Patrick Kilkenny, Tim Faas, Jeff Gaither and Kelsie King-Duff.

Others: There were 8 citizens in attendance including a representative from the Petoskey News Review

**CONSENT AGENDA
MOTION**

2019-04-043
Moved by Page
Second by Grunch

Approved the April 9, 2019 City Commission regular meeting minutes as presented
Approved to proclaim Thursday, April 25, 2019 Arbor Day in the City of Boyne City
Approved the application from Brehm Ventures, LLC. for a new Class C license issued under the provisions of MCL 436.1521a(1)(b) located at 123 & 125 Water St. be approved by the Michigan Liquor Control Commission

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

John Cool from Charlevoix State Bank said they will be opening their full service office in Boyne City next week and they would like a chance to earn the City's business.

CORRESPONDENCE

Communications from Charter Communications were received and filed.

**CITY MANAGERS
REPORT**

City Manager Cain reported:

- The City was successful in receiving two appropriations from the Charlevoix County Parks Fund
 - The Boyne Mountain forcemain project began this week.
 - The MDOT resurfacing project has also started
 - The main boat launch goes in this week.
 - Boyne City Main Street and Chamber offices will be moving into their new location next week.
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**REPORTS OF
OFFICERS, BOARDS
AND STANDING
COMMITTEES**

The March, 2019 Financial Statement was received and filed.

**Application for Alley
Vacation**

Consideration to proceed with the vacation of a public way request by Richard Wright at 920 Edmund Street to vacate the portion of the alley between Edmund and Division Streets and authorize the City Manager to execute the documents

Planning Director Scott McPherson discussed the application to vacate a public way between Edmund and Division, 132 feet west of Hull. The alley as platted provided access between Hull and Houghtlin Street, however the alley is now a dead end as Houghtlin Street and the westerly 66 feet of the alley have been previously vacated. The portion of the alley that is proposed to be vacated is 16.5 feet wide and 198 feet in length. The alley is undeveloped and is not maintained by the City. There are no City utilities in the alley.

Richard Wright added that the property has been neglected and was never developed. If vacated, it can be properly taken care of.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-044

Moved by Solomon

Second by Conklin

To proceed with the vacation of a public way request by Richard Wright at 920 Edmund Street to vacate the portion of the alley between Edmund and Division Streets and authorize the City Manager to execute the documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Planning Commission
Appointment**

Consideration to appoint a member to the Planning Commission to fill a vacancy on the Planning Commission with a term expiring on May 31, 2021.

Planning Director Scott McPherson said all three of the candidates are excellent choices.

Staff Comments: None

Citizens Comments: None

Board Discussion: After discussion of the candidates, all agreed that Rose Newton would be the best choice at this time.

MOTION

2019-04-045

Moved by Neidhamer

Second by Grunch

To appoint Rose Newton to the Planning Commission with a term expiring May, 2021.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

FY 2018/2019 Budget Amendments

Consideration to approve the FY 2018/2019 budget amendments as presented in compliance with accounting and budgeting standards.

Clerk / Treasurer Grice discussed the proposed amendments. Most of these items have been discussed throughout the years as opportunities have come up.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommended amendments.

MOTION

2019-04-046
Moved by Grunch
Second by Solomon

To approve the FY 2018/2019 budget amendments as presented in compliance with accounting and budgeting standards.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Fiscally Ready Communities Program

Discussion of Boyne City's participation in the State's new Fiscally Ready Communities program and allow City staff to proceed with it.

City Manager Cain discussed the offer we received to participate in a new program offered by the Michigan Department of Treasury in conjunction with the MSU Extension Fiscally Ready Communities program. We were offered this opportunity in part due to our status as one of the first certified Redevelopment Ready Communities in Michigan. This optional program will give Boyne City the opportunity to work one on one with personnel with the Department of Treasurer and MSU Extension to help improve on our already strong financial processes and practices. It seems to align well with our goal of being excellent stewards of taxpayer funds. This program is an effort by the State to engage communities in best financial practices to help insure they avoid financial problems in the future.

We have learned, however that there will a fee charged by the MSU Extension for this assistance. That fee has not been determined at this point and as soon as we have that, the Commissioners will be notified.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement to move forward, after fees have been provided and approved by the City Manager if within the purchasing policy parameters.

**Veteran's Park Pavilion
Funding**

Consideration to authorize the City Manager and/or City Clerk/Treasurer to execute the proposed Performance Based Grant – Summary of Terms presented by the Michigan Economic Development Corporation and any subsequent documents and agreements necessary to secure a grant of up to \$408,415 and complete the associated work to complete the Veterans Park Pavilion Improvements as proposed.

City Manager Cain discussed the funding from the MEDC for the final completion of the Veterans Park Pavilion project. While this is not the final step in the grant approval process, it almost assures that funding will be approved by the MEDC shortly. Once fully approved, it would be our goal to get the balance of the exteriors doors installed as soon as possible with the majority of the remaining construction scheduled to take place after our summer season. The pavilion would be generally closed to the public during the major construction. We have remained in close contact with our general contractor on the project, Robert Kroondyk who would see the project through to completion.

City Manager Cain also thanked Becky Harris, Michelle Cortright, Barb Brooks, Lori Meeder, Kelsie King-Duff, the Main Street Program, Farmers Market and the Charlevoix Community Foundation for their dedication to this project and making it happen.

Staff Comments: None

Citizens Comments: Michelle Cortright and Becky Harris rang a bell in honor of the achievement.

Board Discussion: Commissioner Conklin said he appreciates the efforts and Michelle and Becky who kept the community positive about this project. Commission Solomon said the project was truly community driven.

2019-04-047
Moved by Conklin
Second by Solomon

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Lofts on Lake Street
Financial Incentives**

Consideration to authorize the City Manager and his/her designees to take the necessary steps as authorized and required by the State of Michigan to establish a Public Act 210 of 2005 Commercial

Rehabilitation District using the DDA's boundaries in anticipation of receiving applications from Lofts on Lake Street and other eligible entities applying for Exemption Certificates.

City Manager Cain discussed the proposed project for the intersection of North Lake and State Streets. This project would be developed by Michigan Community Capital (MCC). The project went before the Planning Commission for preliminary review at their last meeting and is scheduled to go back before the Planning Commission for final site plan review at their meeting on May 20th.

At the April 12 Team Boyne meeting, Marilyn Crowley, Investment Director for MCC, outlined MCC's non-profit status and the financial challenges to make a project like this work. This is consistent with what we have been learning about the economics of residential and other types of developments through the Housing Solution and other programs over the last couple of years. Even with their non-profit status, this project will need outside assistance to make it financially feasible. This is not something unique to MCC or Boyne City. Boyne City has incentivized most of the larger private projects that have occurred in Boyne City, primarily in the Downtown Development Authority (DDA) and the Local Development Finance Authority (LDFA) districts. MCC has been working closely with the MEDC to help close the gap on this and other projects.

Without this assistance to close the gap, MCC will not be able to make the project work. As in most projects like this, where the MEDC is investing in a community and project they need to see that the other partners are invested as well. MCC has recently requested that the City consider assisting this project financially by providing them relief from increased taxes for a period of years as authorized by the State of Michigan under Public Act 210 of 2005, known as the Commercial Rehabilitation Act. In summary, the Act allows the property taxes on such a development to be frozen at their pre-development levels for a period of up to ten years as determined by the Community. This is very similar to the tax relief we have given to several industrial businesses in our Business Park and elsewhere except where those are allowed for up to twelve years. Under such relief, actual taxes are not decreased, but are not increased based on the new value of the redeveloped property for the approved period of time. The theory is that relief helps the development or investment make financial sense and the taxing jurisdictions will benefit long term since the investment will be there, and fully taxable long after any period of relief expires.

Mac McClelland from Otwell Mawby provided an overview of PA 210 Commercial Rehabilitation Act and the process/timeline for this project.

Staff Comments: None

Citizens Comments: Michelle Cortright said she is in favor of proceeding with this incentive. This fits criteria and goals for this district. Ken Allen said this piece of property is so strategic to the

community. We still need to take time as a community to think this thru.

Board Discussion: Mayor Pro-Tem Grunch said he is ready to move forward. Commissioner Solomon doesn't think we need to revisit the Master Plan. Commissioner Page agrees with moving forward. Commissioner Conklin said he supports moving forward. He added that we need to keep projects such as the Boyne on the Water plan alive. We need to be careful, sensitive and clearly show people we understand what we're doing. There needs to be clear communication. Mayor Neidhamer said he agrees totally that the planning and process is in place. The public will have many more opportunities to hear about this project.

2019-04-048
 Moved by Solomon
 Second by Page

To authorize the City Manager and his/her designees to take the necessary steps as authorized and required by the State of Michigan to establish a Public Act 210 of 2005 Commercial Rehabilitation District using the site's boundaries in anticipation of receiving applications from Lofts on Lake Street and other eligible entities applying for Exemption Certificates.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

**Excuse Mayor Pro-Tem
 Grunch**

Mayor Pro-Tem Grunch was excused from the meeting at 1:56 p.m.

**Filter Feed Pump and
 Backwash Pump Repair**

Consideration to contract with Jett Pump to rebuild one filter feed pump and one backwash pump at a cost of \$11,740 and authorize the City Manager to execute the documents

City Manager Cain discussed the filter feed pump and backwash pump at the Wastewater Treatment plant that need to be repaired and rebuilt. They have been in operation for 13 years. The only quote received was from Jett Pump in the amount of \$11,740 to repair and rebuild both pumps. We have worked with this company in the past.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation.

2019-04-049
 Moved by Conklin
 Second by Solomon

To approve to contract with Jett Pump to rebuild one filter feed pump and one backwash pump at a cost of \$11,740 and authorize the City Manager to execute the documents

Ayes: 4
 Nays: 0
 Absent: 1, Mayor Pro-Tem Grunch
 Motion carried

Goal Quarterly Check in #1

Goal Quarterly Check in

City Manager Cain provide the Commissioners with an update on the goal status.

Commissioner Solomon asked if in the future, we could focus on where there's been activity or a need for action on a particular goal.

CLOSED SESSION

2019-04-050
 Moved by Neidhamer
 Second by Conklin

To approve of the City Manager to go into closed session to consider strategy connected with the negotiation of a collective bargaining agreement as provided in MCL 15.268 (c) of the Michigan Open Meetings Act (PA 267 of 1976) at 2:13 p.m.

Ayes: 4
 Nays: 0
 Absent: 1, Mayor Pro-Tem Grunch
 Motion carried

RETURN TO OPEN SESSION

2019-04-051
 Moved by Neidhamer
 Second by Solomon

To return to open session at 2:43 p.m.

Ayes: 4
 Nays: 0
 Absent: 1, Mayor Pro-Tem Grunch
 Motion carried

Good Of The Order

A committee was formed for discussion of the City Manager's compensation per the City Manager's request.

ADJOURNMENT

Motion by Mayor Neidhamer, second by Commissioner Page to adjourn the Regular City Commission meeting of Tuesday, April 23, 2019 at 2:43 p.m.


 Tom Neidhamer
 Mayor


 Cindy Grice
 Clerk/Treasurer