

**JUNE 23, 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 JUNE 23, 2015

CALL TO ORDER

Mayor Grunch called the meeting to order at noon 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, Michele Hewitt, Patrick Kilkenny, Andy Kovolski, Lori Meeder, John Lamont, Craig Remsberg

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

**CONSENT AGENDA
MOTION**

2015-06-074

Moved by Neidhamer
Second by Towne

To approve the June 9, 2015 City Commission regular meeting minutes as presented

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

None

CORRESPONDENCE

Information from Tree City USA was received and filed.

CITY MANAGERS REPORT

City Manager Cain reported:

- The community playground is temporarily closed for further testing.
- The DPW building construction continues to progress well.
- Drogheda, Ireland has declined our sister city request.
- Absentee ballots have arrived for the August primary.
- City Hall will be closed July 3, 2015.

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

The May, 2015 Financial Statement was received and filed.

Sommerset Pointe Update

City Manager Cain reported that Eveline Township will be holding their public information meetings in July regarding the sewer extension. The project engineer has requested a three week delay in receiving the bids. This information will be updated in the City Manager's reports in the future.

Boyne Valley Trailway

Consideration of a Public Hearing to hear citizens comments regarding a grant application to the Michigan Natural Resources Trust Fund for the development of a non-motorized trail from Boyne Falls to Dam Road in Boyne Valley Township and approval of a resolution authorizing the grant application.

Mayor Grunch opened the Public Hearing at 12:15 p.m.

Assistant Planner Patrick Kilkenny discussed the approval the City Commission gave at a meeting in February, 2015, approving a request from the Boyne Valley Trailway Committee for the City to act as the applicant for the state grants for the Boyne Valley Trailway project. As a grant applicant, the State is requiring the City pass a resolution and public notice of the meeting. This is only a reaffirmation of the previous action taken by the City Commission, no changes to that previous approval are requested.

Committee member Mike Sheehan said he appreciates the prior support and resolution as presented. There were no other citizen comments.

Mayor Grunch closed the Public Hearing at 12:18 p.m.

Board Discussion: All are in full support and agreement with the proposed resolution.

MOTION

2015-06-075

Moved by Towne

Second by Neidhamer

To approve resolution authorizing the grant application to the Michigan Natural Resources Trust Fund for the development of a non-motorized trail from Boyne Falls to Dam Road in Boyne Valley Township.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Master Plan Distribution

Consideration to approve distribution of the draft Boyne City Master Plan as required by the Michigan Planning Enabling Act.

Assistant Planner Patrick Kilkenny discussed the process of the Master Plan approvals. The Planning Commission reviewed and recommended to the City Commission that the Master Plan be approved for distribution. As required by the Michigan Planning Enabling Act, prior to conducting a public hearing and formally adopting the plan, the legislative body of the municipality must approve distribution of the document for review and comment. If approved for distribution, the document is made available to the public and is provided to all adjacent townships, the County planning Commission, the regional planning agency, all utility providers that provide service in the City, the county and state road agencies and any entity that has registered for that purpose. The MPEA stipulates that the comment period must be at least 63 days.

MOTION

After the comment period has expired the Planning Commission will review all received comments, then make final changes to the plan. The Planning Commission is then required to hold a public hearing and provide a public notice of the hearing not less than 15 days prior to the hearing. After the hearing, the Planning Commission must pass a resolution adopting the master plan and submit the final plan to the City Commission for approval. If approved by the City Commission, the plan takes effect immediately and the final plan is distributed to the same entities that received the draft plan.

Mary Campbell, who prepared the plan presented a resolution authorizing the distribution of the plan if adopted.

Staff Comments: None

Citizen Comments: None

Board Discussion: Mayor Pro-Tem Towne said it is always good to have guidelines or plans to make future decisions. Commissioner Gaylord said there may be discussions on details as it moves forward. Commissioner Sansom inquired of the sources used to compile the numbers. Mary Campbell said much of the background info was compiled the planning department, the primary census and the American Community Bureau survey. Commissioner Sansom would like to see the sources at the end of the report or references. Commissioner Neidhamer said as a Planning Commissioner member, this has been reviewed over the last 9 months by the Planning Commission. Mayor Grunch supports the distribution of the plan.

MOTION

2015-06-076

Moved by Sansom

Second by Towne

To approve the resolution for the distribution of the master plan as presented.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Accepting Credit Cards Via
Official Payments,
Software Addition**

Consideration to 1) approve an agreement with Official Payments to provide credit card, debit card, e-check or other electronic means for tax bills, utility bills and other miscellaneous payments to the City of Boyne City and authorize the City Manager to execute the documents and 2) to approve the proposal from BS&A Software for AccessMyGov-Internet Services to allow individuals to search data, pay their tax and utility bill online via electronic payment and authorize the City Manager to execute the documents.

Clerk / Treasurer Grice discussed the City currently accepts cash or checks from residents as payment on their tax, utility bills, permit fees and other miscellaneous fees. In order to provide additional convenience to those individuals who wish to pay for those services using a credit card, we have researched the options the City has to make the service available to our residents. We currently accept credit cards at the Marina or for Boyne Thunder, but we cannot pass those costs to the purchaser and the costs are absorbed by those departments. However, if we begin to collect tax and utility payments using credit or debit cards, those costs to the City could be significant and should not be absorbed. We have reached out to the two, third party processors that currently work directly with our software provider, BS&A Software. The best rate for the end users would be if we contracted with Official Payments.

MOTION

If this recommendation is approved, once this service is available, if

someone wishes to pay their bill using a credit card, they would be notified of the convenience fee and agree to it at the time of payment, or choose to pay with a check or cash to avoid any fee.

Further, we would like to offer the option to individuals to pay their taxes or utility bills on line. To do this, we would need services from BS&A Software called AccessMyGov Internet Services. This service would be linked to the City's website, redirecting individuals to BS&A's AccessMyGov and the ability to search of taxes and utility billing records, also allowing for payment to be made via credit card or e-check online, using the same convenience fees as noted above. There is no charge to the City for this service. Our annual service fee is free through BS&A and data will be updated daily. There would also be a "Pay Per Hit" fee of \$2.00 per tax record and \$1.00 per utility billing record, unless the taxpayer or customer is looking up the data, whereas it would be at no cost. The Charlevoix County Treasurer, who is also a BS&A Software user, utilizes Official Payments for their credit card online tax collections and is very happy with the service provided. If approved, the changes could be in place and available within 45 days.

The Marina and Boyne Thunder are now using Paypal for their electronic payment collections.

Staff Comments: City Manager Cain agreed with the recommendation. Assistant Treasurer Michele Hewitt said we receive numerous requests by individuals to pay their bills via credit card.

Citizens Comments: None

Board Discussion: Commissioner Gaylord said he appreciates the work, BS&A is reputable. It will provide an alternative method of payment with efficient tracking. Commissioner Sansom said she is in support. This will be very convenient. Mayor Pro-Tem Towne said he is in support as long as you can still pay with cash or check. Commissioner Neidhamer and Mayor Grunch are in support.

2015-06-077

Moved by Gaylord

Second by Towne

MOTION

To 1) approve an agreement with Official Payments to provide credit card, debit card, e-check or other electronic means for tax bills, utility bills and other miscellaneous payments to the City of Boyne City and authorize the City Manager to execute the documents and 2) to approve the proposal from BS&A Software for AccessMyGov-Internet Services to allow individuals to search data, pay their tax and utility bill online via electronic payment and authorize the City Manager to execute the documents.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Consideration to authorize the City Manager to submit the

**Community Development
Block Grant Income
Survey Application
Request**

Community Development Income Survey Application for approval by the MEDC.

Assistant Planner Patrick Kilkenny discussed the Low to Moderate Income (LMI) Survey the City of Boyne City conducted in 2004. That survey was submitted to, reviewed and approved by the Michigan Economic Development Corp in 2005. The City of Boyne City was then added by the MEDC to the CDBG program list of LMI communities. To qualify for CDBG grant funds, at least 51% of the area's residents must qualify as LMI and for approximately 10 years, the City had been classified by the MEDC as LMI, with about 68.09% of the city residents considered LMI. The U.S. Department of Housing and Urban Development defines the term "low and moderate income persons" as families whose incomes are no more than 80% of the median income of the area involved.

The American Community Survey data states the City is now considered to be at 45.74% LMI per their recent release. The new data set does not include justification for the 22.35% drop in LMI, however, to be eligible for CDBG grant funding, the City's LMI percentage is still required to be at or above 51%. Further, the CDBG program requires that each CDBG funded activity must either principally benefit low and moderate income persons, aid in the prevention or elimination of slums or blight, or meet a community development need having a particular urgency. With respect to activities that benefit all the residents of a given area, at least 51% of the area's residents must be low and moderate income.

Communities with a LMI percentage lower than 51% have the ability to submit, at no cost, a CDBG Income Survey Application, to be approved by the MEDC. MEDC's approval of the survey application provides the community with the option to conduct a CDBG Income Survey to determine the percentage of LMI residents in the service area of a CDBG funded activity. The survey is recommended to be completed only if the community has reason to believe that the service area is actually at or above 51% LMI. The income survey can be completed by the City of Boyne City or a certified third party. If the City is inclined to undertake the process, the survey, data and results must be verified by a third party certifier. Verification would likely cost in excess of \$2,000. In addition to the verification, all field work, training, management, data compilation would be completed by City staff with assistance for the field work and associated data gathering. A qualified third party surveyor recently provided an unofficial quote for services in the range of \$6,000-\$10,000 to complete the entire process, including verification with about a six week total timeline for submittal of results to the City. That third party surveyor is currently able to begin the survey process in September, 2016.

MEDC approval of the application to conduct an income survey will likely require about two to four weeks once the initial application is submitted. The City's Pavilion and 475 Lake Street projects are both likely to qualify as beneficial to our LMI residents through the CDBG and would be included on the initial application as proposed activities for the service area. The City's service area may include the entirety of the City limits due to the fact that projects falling outside of the pre-defined service area are not eligible for CDBG grant funded activities, however it is not required that the entirety of the City be included.

MOTION

Staff comments: None

Citizens Comments: None

Board Discussion: Mayor Pro-Tem Towne said he had no questions at this point. Commissioner Gaylord said he would like to see the entire City included. He refers to Mike and staff if our staff can do this.

Commissioner Sansom said she would like to know the true numbers and asked if the survey is done door to door and Patrick said that would be the preferred method. Commissioner Neidhamer said we need to proceed forward, it is a tool we need. Mayor Grunch said the increase doesn't look quire right for what he is seeing, there isn't a justification for that.

2015-06-078

Moved by Towne

Second by Sansom

MOTION

To approve to allow the City Manager to submit the CDBG Income Survey Application for approval by the MEDC

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**475 North Lake Street
Appraisal**

Consideration of the proposals received for appraisal services at 475 North Lake Street and authorize the City Manager to execute the documents with the recommended bidder

GOOD OF THE ORDER

City Manager Cain discussed the need for appraisal services for the 475 North Lake Street property. An appraisal will help us determine how much state grant funding we can apply for. The state will usually pay for up to 75% of the value determined through two certified appraisals. Two proposals were received. A.K. Smith Appraisal Service of Big Rapids provided the low quote of \$2,500 plus \$50 per hour for updating if needed prior to grant submittal in 2016. They assisted us with the recent airport property acquisition and did fine work and it is being recommended they do this appraisal as well.

Staff Comments: None

Citizens Comments: None

Board Discussion: All commissioners are in support of the recommendation.

MOTION

2015-06-079

Moved by Towne

Second by Sansom

To award the bid for initial appraisal services for 475 North Lake Street property to A.K. Smith, Appraisal Services of Big Rapids, with the low quote of \$2,500 plus \$50 per hour for updating if need prior to grant submittal in 2016

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Exhaust Fan

Consideration to authorize R E Page to repair an exhaust fan in the Screening Building at the Wastewater Treatment Plant for an estimated cost of \$2,786.

City Manager Cain said the exhaust fan for the screening building at the wastewater treatment plant needs to be repaired. The fan is extremely noisy and sounded like the bearings were bad. It is in a corrosive atmosphere removing the foul air from the screening building. After investigation, it was found the fan needs new bearings, shaft and wheel with repairs to cost \$2,786. A replacement fan is \$6,500.

Staff Comments: None

Citizens Comments: None

MOTION

Board Discussion: Commissioner Sansom asked how corrosive the existing fan is and how long it will last. Would it make more sense to buy a new fan? City Manager Cain said the fan is about ten years old and WWW Superintendent Mark Fowler feels the foundation of the fan is worth making this investment. Commissioner Gaylord said he feels comfortable going with the repair.

2015-06-080
 Moved by Neidhamer
 Second by Gaylord

To authorize R E Page to repair an exhaust fan in the Screening Building at the Wastewater Treatment Plant for an estimated cost of \$2,786 and authorize the City Manager to execute the documents

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Good of the Order

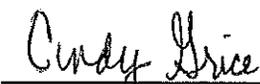
Commissioner Sansom said there are fireworks going off in her neighborhood. Can we remind people of the ordinance on our website. Commissioner Gaylord inquired about the additional trees being removed at 475 North Lake Street. Also, regarding the old patrol vehicle, it's appropriate to discuss keeping the car for a training, errand running City vehicle. It looks in good shape visually. City Manager Cain said we can take a look at it. Commissioner Gaylord said he is looking for confirmation of the latest information regarding a culvert on Division Street. Commissioner Neidhamer said we are headed into our busy season. Staff does a great job being host and thank you for that. Mayor Grunch discussed the food pantry exploratory meeting. The location next to the free clinic looks like a go. There is always room for more volunteers.

ADJOURNMENT
MOTION

Moved by Mayor Grunch seconded by Commissioner Gaylord to adjourn the regular City Commission meeting of Tuesday, June 23, 2015 at 1:37 p.m.



Ron Grunch
Mayor



Cindy Grice
Clerk / Treasurer