

**APRIL 9, 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 9, 2019

CALL TO ORDER

Mayor Neidhamer called the meeting to order at 7:00 p.m. 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, Michele Hewitt, Mark Fowler, Kelsie King-Duff, Tim Faas, Kevin Spate, John Lamont and Barb Brooks

Others: There were 14 citizens in attendance including a representative from the Petoskey News Review

**CONSENT AGENDA
MOTION**

2019-04-029

Moved by Grunch

Second by Page

Approved the March 12, 2019 City Commission special meeting minutes as presented

Approved the March 12, 2019 City Commission regular meeting minutes as presented

Approved the March 18, 2019 City Commission Pre Budget meeting as presented

Approved the March 21, 2019 City Commission Budget Work Session meeting as presented

Ayes: 5

Nays: 0

Absent: 0

Motion carried

CITIZENS COMMENTS

None

CORRESPONDENCE

Correspondence from the Boyne Area Chamber of Commerce regarding moving their location effective April 30, 2019 and correspondence from the Health Department of Northwest Michigan regarding marijuana opt-out were received and filed.

**CITY MANAGERS
REPORT**

City Manager Cain reported:

- The ice pole is now down.
- The street sweeper has been put in service
- A preliminary plan for the Lake Street mixed use project will be at the next Planning Commission meeting
- City Hall will be closed at noon on Friday, April 19 in observance of Good Friday

**AWARD
PRESENTATION**

Mayor Neidhamer presented City Clerk/Treasurer Cindy Grice and Deputy Treasurer Michele Hewitt with the Government Finance Officers Associations Certificate of Achievement for Excellence in Financial Reporting for FYE 2018. It is the third year the City has received the award.

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

Draft minutes of the February 28, 2019 Airport Advisory Board Meeting; the March 7, 2019 Main Street Board Meeting; the March 7, 2019 Historic District Commission; the March 14, 2019 Parks & Recreation Board Meeting; the March 18, 2019 Historical Commission Meeting; the March 18, 2019 Planning Commission Meeting and the February Financial Statement were received and filed.

**Public Hearing –
Proposed FYE 2020
Budget**

Public Hearing to hear Citizen comments regarding the General Appropriations for the FYE 2020 Budget as required by statutory regulations

Mayor Neidhamer opened the Public Hearing at 7:10 p.m.

City Manager Cain provided an overview of the proposed FYE 2020 budget. The budget was thoroughly reviewed at an all day budget work session. There was no other public comment.

Mayor Neidhamer closed the Public Hearing at 7:15 p.m.

Board Discussion: Commissioner Solomon said we are still in a respectable position with our fund balance this year.

**Millage Rate Resolution
– General Operating**

Consideration to adopt the Resolution to Establish a General Operating Millage Rate of 15.51 for the City of Boyne City FY 2019/2020

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement.

MOTION

2019-04-030
Moved by Solomon
Second by Conklin

To adopt the Resolution to Establish a General Operating Millage Rate of 15.51 for the City of Boyne City FY 2019/2020

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Millage Rate Resolution
– City Facilities Debt
Service**

Consideration to adopt the Resolution to Establish a City Facilities Debt Service Millage Rate of 2.20 for the City of Boyne City FY 2019/2020

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement.

MOTION

2019-04-031
Moved by Conklin
Second by Page

To adopt the Resolution to Establish a City Facilities Debt Service Millage Rate of 2.20 for the City of Boyne City FY 2019/2020

Ayes: 5
Nays: 0
Absent: 0
Motion carried

General Appropriations Act Resolution

Consideration to adopt the General Appropriations Act for FY 2019/2020 Resolution

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement.

MOTION

2019-04-032
Moved by Page
Second by Grunch

To adopt the General Appropriations Act for FY 2019/2020 Resolution

Ayes: 5
Nays: 0
Absent: 0
Motion carried

Fee Schedule Resolution

Consideration to adopt Fee Schedule for FY 2019/2020 Resolution

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement.

MOTION

2019-04-033
Moved by Solomon
Second by Grunch

To adopt Fee Schedule for FY 2019/2020 Resolution

Ayes: 5
Nays: 0

Absent: 0
Motion carried

**Macksey Conditional
Zoning Extension
Request**

Consideration to approve a one year extension, expiring 4/25/2020 of the conditional zoning agreement with Macksey Build Properties

Planning Director Scott McPherson discussed the request from Ted Macksey of Macksey Build Properties for an extension of his Conditional Zoning agreement originally executed on April 25, 2017. In the request, various options were listed. Over the past two years, frequent contact and updates were given to City staff regarding his efforts, confirming due diligence.

Staff Comments: None

Citizens Comments: Woody Hardy asked if city utilities would be on this property and was informed, yes. Penny Hardy asked what happens if Mr. Macksey's project stops partway through. Scott said the plan can attach certain guarantees.

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-034
Moved by Conklin
Second by Page

To approve a one year extension, expiring April 25, 2020 of the conditional zoning agreement with Macksey Build Properties

Ayes: 5
Nays: 0
Absent: 0
Motion carried

**Cedar/Terrace Streets
Reconstruction**

Consideration to City Commission conditionally award a contract for the Cedar & Terrace Streets Reconstruction Project in an amount not-to-exceed A) \$929,314.00 should the city be notified that it did not receive the MDOT TEDF Category B Grant; or B) \$938,607.14 should the city be notified that it did receive the MDOT TEDF Category B Grant; and authorize the City Manager to execute the documents

Director of Public Works Tim Faas discussed the reconstruction of a portion of West Cedar Street and all of Terrace Street. Bids have been received and MDC Contracting LLC is the lowest qualified bidder. The bid amount varies based on whether, or not, the City is successful in application for the \$250,000 MDOT TEDF Category B Grant that was submitted last month. The reason for this variation is due to the increased cost to perform the work later this year after the grant agreement is executed with MDOT, if so awarded. Based on its bid, MDC Contracting LLC would be paid 1% more if we are successful due to the timing of the work. As such, the conditional award recommendation outlined in C2AE's attached letter offers two scenarios; 1) a total of \$929,314.00 without the grant, and 2) a total

of \$938,607.14 under the scenario where we are successful with the grant.

The costs for these two projects are included in the 2019/2020 budget as presented to the City Commission. It would be split between the Construction accounts in the Local Roads Budget and in the Water & Wastewater Budget.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-035

Moved by Solomon

Second by Conklin

To conditionally award a contract for the Cedar & Terrace Streets Reconstruction Project in an amount not-to-exceed A) \$929,314.00 should the city be notified that it did not receive the MDOT TEDF Category B Grant; or B) \$938,607.14 should the city be notified that it did receive the MDOT TEDF Category B Grant; and authorize the City Manager to execute the documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Cedar / Terrace Street Reconstruction Project Bidding & Construction Engineering Recommendation

Consideration to award a contract for the bidding and construction engineering services for the Cedar and Terrace Streets Reconstruction project in an amount not-to-exceed \$83,300 per the proposal dated 4/3/19 and authorize the City Manager to execute the documents

Director of Public Works Tim Faas discussed the proposed contract for the Cedar / Terrace Street Reconstruction Project. Now that the bids have been received, the on-site construction engineering is the next phase of the required engineering services. The City requested a formal proposal from C2AE, the City's civil engineering consultant, outlining the project understanding, scope and fee for the desired services (see attached). C2AE performed the design work on this project to be constructed later this year. The total cost of the services is \$83,300 which would be split between the Professional Services accounts in the Local Roads Budget and in the Water & Wastewater Budget. The \$1,500 portion allocated for bidding assistance would be charged to the 2018/2019 budget; however, the majority would be charged to the 2019/2020 budget if approved by the City Commission.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-036
 Moved by Conklin
 Second by Page

To award a contract for the bidding and construction engineering services for the Cedar and Terrace Streets Reconstruction project in an amount not-to-exceed \$83,300 per the proposal dated 4/3/19 and authorize the City Manager to execute the documents

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

**2019/2020 Road
 Rehabilitation Project**

Consideration to approve Amendment No. 1 to the contract with Rieth-Riley Construction for the 2019/2020 Road Rehabilitation Project in an amount not-to-exceed \$56,176.87; and issue a Purchase Order for a total amount of \$260,170.83 and authorize the City Manager to execute the documents

Director of Public Works Tim Faas stated that in May 2018, the City Commission awarded a contract to Rieth-Riley Construction for the 2018/2019 Pavement Maintenance Project in an amount of \$203,993.96. Shortly after the contract award a labor dispute between MITA and the heavy equipment operators occurred State-wide. This labor dispute caused many road projects to be delayed last year and many projects were also deferred to this season, including our project.

The amount awarded last year was based on an estimated quantity of 10,889 square yards of pavement for the streets depicted on the attached spreadsheet. Recently I met with Mike Ellwanger (Rieth-Riley Construction) to visit the sites and re-measure the quantities. The resultant quantities are 27% more than the 10,889 square yards. As such, the project would either need to be reduced in scope substantially, or the additional quantities be included with an amendment to the contract. Rieth-Riley Construction is willing to honor last year's unit prices if the City of Boyne City is intent on completing all the roads originally planned as part of this project.

Based on the budgets included in the recent presentation to the City Commission for 2019/2020, we have sufficient funds to complete the major road (Front Street) and still have a little left for other work, or as a contingency. We also have just enough to complete all of the local roads (First Street, Trent Street, Ann Street and most of Wilson Street) as outlined on the attached spreadsheet. The southern-most 60 feet of Wilson Street would not be done this year which affords us time to repair the storm sewer pipe and integrate that last portion with the redesign of the Avalanche parking lot next year. If approved, the project will be done the spring.

The \$260,170.83 in costs for this project is included in the 2019/2020 budget as presented to the City Commission and would be charged to the following accounts:

#202-463-930.000 (Major Roads – Maintenance) \$110,374.18 and
 #203-463-930.000 (Major Roads – Maintenance) \$149,796.65

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-037

Moved by Grunch

Second by Conklin

To approve Amendment No. 1 to the contract with Rieth-Riley Construction for the 2019/2020 Road Rehabilitation Project in an amount not-to-exceed \$56,176.87; and issue a Purchase Order for a total amount of \$260,170.83 and authorize the City Manager to execute the documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**American Waste
Contract**

Consideration to approve the one-year extension to the contract with American Waste for the 2019/2020 Solid Waste Collection & Disposal Services in an amount not-to-exceed \$6,000 for containerized refuse collection and \$65,000 for the rubbish collection programs and authorize the City Manager to execute the documents

Director of Public Works Tim Faas stated that in March 2018, the City Commission approved a one-year extension of a contract with American Waste for solid waste collection and disposal services. The services include containerized refuse collection and disposal for the City wastewater plant, cemetery, public buildings and parks facilities. In addition, the services include the annual spring and fall rubbish collections and disposal offered to the residents during three weeks each season.

In the current fiscal year 2018/2019 we anticipate the containerized refuse collection costs to be about \$4,500 in total. The costs of the spring and fall rubbish collection was \$62,075.

On March 13, 2019 we received a proposal from American Waste for this year's services under another one-year extension. As a result the cost of containerized refuse collection would increase to roughly \$5,400 in total (about 20% more). The costs for the spring and fall rubbish collection would increase about 2.6% for labor and equipment and 4.2% for disposal services.

I believe that the City can work together with American Waste this year to reduce the overall cost of the rubbish collection program to fit

within the \$65,000 recommended budget should the City Commission desire to extend the contract an additional year.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-038

Moved by Page

Second by Grunch

To approve the one-year extension to the contract with American Waste for the 2019/2020 Solid Waste Collection & Disposal Services in an amount not-to-exceed \$6,000 for containerized refuse collection and \$65,000 for the rubbish collection programs and authorize the City Manager to execute the documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Airport Hangar Lease

Consideration to approve the revised 15 year License & Use Agreement for hangar A-12 at the Boyne City Municipal Airport as proposed and recommended by the Airport Board and authorize the City / Airport Manager to sign it.

City Manager Michael Cain stated that the tenant of airport hangar A-12 proposed making a major improvement to it with the installation of a new aircraft door on its east side. The hangar came off its 25 year lease in February of 2018 and is currently being rented for \$5,000 per year. The tenant would like to install a new door to make it easier to get large aircraft in and out of the hangar. The aircrafts he has are too tall for the current bi-fold. With his old plane, they had to lift the nose up so the tail would tilt down and they could get it back in. He has recently acquired a new jet which would be more difficult to get into the hangar. The Airport Board has approved to allow him to replace the door at his own cost with a new one piece door for about \$35,850. He is willing to make that investment if he can obtain a new multi-year lease rather than the existing year to year or month to month leases available. After some negotiations, the Board and tenant felt that a 15 year lease would be fair to both parties. During that term, the tenant still has to pay rent and other costs associated with the hangar. These rents would increase based on the Consumer Price Index. If for some reason the tenant left before the 15 years are up, the airport would be free to lease the hangar to another tenant.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-039
 Moved by Conklin
 Second by Grunch

To approve the revised 15 year License & Use Agreement for hangar A-12 at the Boyne City Municipal Airport as proposed and recommended by the Airport Board and authorize the City / Airport Manager to sign it

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Pet Safe Grant

Consideration to support an application for grant funding from Pet Safe for enhancement of the existing city-owned Ridge Run Dog Park by constructing the dog agility area and authorize the City Manager to execute the documents

Director of Public Works Tim Faas stated the volunteer dog park committee has requested support of the City Commission to file an application for a grant to help fund the next phase of the Ridge Run Dog Park which will be a dog agility area. The Committee is currently fund raising for the balance of the costs, not covered by the grant so that no City funds would be required to construct this phase.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-040
 Moved by Solomon
 Second by Grunch

to support an application for grant funding from Pet Safe for enhancement of the existing city-owned Ridge Run Dog Park by constructing the dog agility area and authorize the City Manager to execute the documents

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

2019 Marina Rates

Consideration to adopt the 2019 Season Marina Rates effective immediately

Harbormaster Barb Brooks stated that in order to implement the 2019 rates that were discussed during the budget work session, we need to have them adopted prior to the new budget going into effect for billing purposes. We normally mail invoices the first part of April

with a due date of April 30. If these are not adopted prior to April 30, we will have to use the 2018 rates.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-041

Moved by Conklin

Second by Page

To adopt the 2019 Season Marina Rates effective immediately

Ayes: 5

Nays: 0

Absent: 0

Motion carried

One Water Marina Agreement

Consideration to allow the City to enter into operations / management agreements with the One Water Marina Association and individual slip owners and authorize the City Manager to review and sign all agreements on the City's behalf.

Harbormaster Barb Brooks stated the City has been contracted to operate the One Water Marina for the developer (Integrity Land Company / Glen Catt) since it opened for business in 2010. The relationship has worked well and has been beneficial for both parties. The City also rented slips on behalf of JGK Enterprises (Judy (Greg) Krueger – slip 9) and Konupek LLC (Bob Konupek – slip 8). The past practice set forth by the Commission several years ago was to allow staff to negotiate the terms of the contract as it was just a renewal and only bring the issue back to the Commission if there were significant changes. Now that all but seven slips are individually owned, there are not as many interested in participating in the rental program, yet the need is still there to manage and maintain the marina. With less slips to rent, there was a concern that there may not be enough revenue produced to make it worth the City's time to continue the partnership and who would cover certain expenses associated with the operations.

The One Water Marina Association is proposing a flat fee to the City of \$2,000 for operations (general oversight and light maintenance). In addition, the City would contract with each individual owner who is interested in putting their slip in the rental pool for the season at a 50/50 split. Integrity Land Company has verbally committed to placing all of their slips in the rental program and I have no reason to believe that either JGK Enterprises or Konupek LLC would want to discontinue the arrangement we have had in the past. There may be a couple of the new owners that have an interest in participating in the rental program as well. The agreement with the Association will be very similar to the agreements we have signed with Integrity Land Company over the last 8 years. Basically the only change is partnership will be with the Association at a flat fee.

The liability expenses include salaries, liability insurance and misc. supplies. In 2018 that totaled approximately \$7,000. The \$2,000 plus the rental revenue from Integrity Land Company's slips alone should more than cover these expenses

Continuing management of the One Water Marina for at least one more year would be beneficial in several ways:

- Potential of additional income to the marina fund
- The ability to provide seasonal and transient slips in addition to what we offer at the municipal marina
- Control over slips and dock use for the Boyne Thunder event
- The ability to continue to provide additional shoppers' dock opportunities
- The ability to market to and attract larger boats

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation

MOTION

2019-04-042

Moved by Conklin

Second by Page

To allow the City to enter into operations / management agreements with the One Water Marina Association and individual slip owners and authorize the City Manager to review and sign all agreements on the City's behalf

Ayes: 5

Nays: 0

Absent: 0

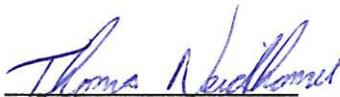
Motion carried

Good Of The Order

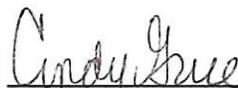
Commissioner Conklin stated that he would like to see the Chamber of Commerce office to remain open as a volunteer run visitor center after the Chamber staff moves to their new location. Mayor Pro-Tem Grunch inquired about the final clean up of the West Michigan Water extension project.

ADJOURNMENT

Motion by Mayor Neidhamer, second by Commissioner Conklin to adjourn the Regular City Commission meeting of Tuesday, April 9, 2019 at 8:48 p.m.



Tom Neidhamer
Mayor



Cindy Grice
Clerk/Treasurer