

**AUGUST 14, 2012
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 JULY 24, 2012

CALL TO ORDER

Mayor Ron 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 Derek Gaylord, Laura Sansom and Tom Neidhamer

Staff: Andy Kovolski, Scott McPherson, Dennis Amesbury, Barb Brooks, Michael Cain, Shannon McMaster, Jeff Gaither and Cindy Grice

Others: There were 32 citizens in attendance, including representatives from the Petoskey News Review and Charlevoix County News

**CONSENT AGENDA
MOTION**

2012-08-111
Moved by Towne
Second by Gaylord

2012-08-111A
Approval of the corrected July 10, 2012 regular City Commission meeting minutes as presented

2012-08-111B
Approval of the June 24, 2012 City Commission Work Session minutes as presented

2012-08-111C
Approval of the July 24, 2012 regular City Commission meeting minutes as presented

2012-08-111D
Approval to authorize City Manager Michael Cain to vote the ballot for the Michigan Municipal League's Workers Compensation Fund Board of Trustees Election

2012-08-111E
Approval to re-appoint John McClorey to the Zoning Board of Appeals as a regular member with a three year term ending September 1, 2015

2012-08-111F
Approval to re-appoint Lynn Murray to the Zoning Board of Appeals as a regular member with a three year term ending September 1, 2015

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

Ron Crozier stated the new monument is in place at the Veteran's Memorial. He also would like to see the dog issues in the park addressed. Dog owners are not cleaning up after their dogs.

CORRESPONDENCE

None

CITY MANAGERS REPORT

City Manager Cain reported:
• Crews have reconfigured the driveway approach at the residence where flooding has recently taken place.

- Governor Snyder visited Boyne City this past Thursday. He likes our pursuit of Relentless Positive Action.
- Charlevoix County will be receiving the First Community Broadband certification
- Assisting Planner Shannon McMaster's last day of employment with the City of Boyne City will be August 31. Shannon is very talented and will be greatly missed.

Draft Minutes of the July 9, 2012 EDC Meeting; the July 9, 2012 LDFA Meeting; the July 11, 2012 Historical District Commission Meeting; the July 12, 2012 Parks and Recreation Commission Meeting; the June 20, 2012 Special Main Street Meeting; the July 30, 2012 LDFA Special Meeting and the July 30, 2012 Planning Commission Meeting were received and filed.

REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES

Mayor Grunch read the August 9, 2012 letter received from Kirtland Products regarding the noise remediation action plan request from the Commission. The letter stated that Kirtland plans to provide further updates at the Tuesday August 28th meeting. MDEQ stack testing is scheduled for the week of September 10th. City Manager said he and Barb Brooks met with Kirtland on July 20th and added that petitions from Citizens have been received requesting the City to stop the noise and air pollution and revoke Kirtland's conditional use permit.

Kirtland Update

Kirtland Products CEO Leon Tupper thanked the City and also the Citizens Committee. Tom Monley of Kirtland Products said he would like to see that the pictures on City's website on the RSG report be removed. City Manager Cain asked what the anticipated schedule is since their August 9, 2012 letter. Leon Tupper said there is not enough information to answer that yet.

Staff Comments: None

Citizens Comments: Tim Arner said he has a concern that Kirtland doesn't have a goal of reaching or meeting the noise level, but are focusing on the pulsation sound. Leon Tupper said the 3 step process is designed to address the most concerned item. Citizen Committee member Ryan Giem said he agrees with Mr. Arner and said the City Commission needs to make the decision of where we want to end up. It's going to come down to audibility. Not sleeping is a health concern. Jim Baumann said it seems like Kirtland has done what they were asked to do. The DEQ emissions test will be done within a month. We've gone this far. We've got to give them a month,

Diane Hausler said we have to deal with the emissions too.

Mike Lange said the DEQ has established parameters and limits on what are healthy limits. The plant was designed to comply and they are.

Emily Jones said they are missing the big picture; it is also the dust they are breathing in. Over time, it will make a significant impact. Their neighbor can't sell their home. People won't send kids to Boyne City schools. To add up the cost of all homes, it's worth more than the investment in the plant.

Board Deliberation: Mayor Pro Tem Towne said he believes the City has done their part. He wants to hear Kodiak's recommendation and walso wants to see the stack emission results. We are getting close to the time to send this back to the Planning Commission to review the conditional use permit. Commissioner Neidhamer said we are right back to where we were 6 months ago. Patience is wearing thin. Time is running short and our next step is to send this back to the Planning Commission. Do we wait one more month to get the DEQ and Kodiak results or is it time? But he understands that studies and implantation for the conclusion.

Commissioner Gaylord said he has heard enough and made a motion to remand this back to the Planning Commission and they make a determination on the conditional use permit process therein.

Commissioner Sansom said after reading the letter from Kirtland, she was disappointed and a little angry. Her concerns were not addressed. She wanted a comprehensive plan. We spent money and she wants to see a whole timeframe and is about out of patience. She sympathizes and empathizes with all they have been thru. It is frustrating. In light of all the petitioners, they are at odds with the community.

Mayor Grunch said it's been a long struggle. The primary goal is to solve the problem. The next step is to refer to the Planning Commission. The earliest Planning Commission meeting this could done at is on September 17th after all appropriate notices are done.

MOTION

2012-08-112
Moved by Gaylord
Second by Sansom

To remand this back to the Planning Commission and they make a determination on the conditional use permit process therein.

Ayes: 5
Nays: 0
Absent: 0
Motion carried

GAG Sim / Tech Tax Exemption Extension

Considerations to hear oral and written comments from the public regarding the tax abatement extension for GAG Sim / Tech, to approve the tax abatement extension request from GAG Sim / Tech for a period of 4 years as recommended by the EDC Board, and authorize the City Manager and City Clerk/Treasurer to sign and submit the documents necessary to execute the abatement extension

City Manager Cain discussed the application received from Gary Koteskey, owner of GAG Sim Tech for an extension of his IFEC that had expired in January of 2012. The EDC Board considered the request at its July 9, 2012 meeting and recommended that the City Commission award a four year extension of the IFEC to them. There is no additional equipment or staffing.

Gary Koteskey added that this will be very helpful. The company will use the money wisely to help grow the business.

Citizens Comments: None

Staff Comments: None

Board Deliberation: Commissioner Sansom asked if growth continues, will more employees be added and Mr. Koteskey said yes. Commissioner Gaylord expressed concerns about the procedure and also wished great success to the company. All other Commissioners supported the recommendation.

MOTION

2012-08-113

Moved by Towne

Second by Gaylord

To approve the tax abatement extension request from GAG Sim / Tech for a period of 4 years as recommended by the EDC Board, and authorize the City Manager and City Clerk/Treasurer to sign and submit the documents necessary to execute the abatement extension

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Assessors Contract

Consideration to confirm the City Manager's appointment of Debra Chavez as the City's contractual Assessor, award a three year agreement to DC Assessing Services of Traverse City at a not to exceed annual amounts of \$54,160, \$54,160 and \$55,110 contingent of the final agreement by the City Attorney, and the receipt of similar approvals from the Cities of East Jordan and Charlevoix and authorize the City Manager and City Clerk/Treasurer to sign the required documents

City Manager Cain discussed the bids received after advertising to replace the Charlevoix County Equalization Department's contract for assessing for the City of Boyne City. The county had contracted with the City, Charlevoix and East Jordan for several years and this agreement worked very well. A joint request for proposals was prepared and advertised with six proposals received. After interviews were conducted with four of the firms and an additional interview of two of the firms was conducted, it was agreed that DC Assessing, a level 3 assessor, would be the best firm for the job and the recommended firm for all three communities. Highlights of the firm are exclusivity of the three communities being DC Assessing's only clients, compatibility, vision, cost and recommendations. We look to establish an office for the Assessor in the current Planning Department conference room. DC Assessing will hold regular office hours at the three city halls where a customer from any city can stop in at any of the office hours at any city hall to be able to meet with the Assessor. Debra Chavez of DC Assessing is present at tonight's meeting and thanked the Commission for the opportunity and is looking forward to this.

Citizens Comments: None

Staff Comments: Clerk / Treasurer Grice agrees with the City Manager's recommendation.

Board Deliberation: Commissioner Neidhamer said it is a glowing report and agrees with the recommendation. Commisisoner Sansom said

she is also in support and asked Ms. Chavez if she will be expanding her staff and was informed they will do what is necessary. Commissioner Gaylord said he is questioning the blatant obviously \$22,000 cost difference on one of the bids and why we are spending so much more. City Manager Cain said we need a quality assessing service. All communities and the Charlevoix County Equalization Department are in agreement of this recommendation and based on information received, everyone decided to not pursue the lower bidder any further. Commissioner Gaylord said let's be factual and City Manager Cain said there were issues that would have not made this a good fit. Commissioner Gaylord also inquired what happens if the law changes and we are required to have a level four assessor and what are our contingencies. City Manager Cain said it is not a contingency he anticipates. We are currently a level 2 requirement. A level 4 likelihood requirement is so remote and mostly used for County assessing. We are more comfortable with a level 3 assessor with some of the complex properties we have. The contract has a 30 day out clause. Commissioner Gaylord inquired who is responsible for ongoing licensing and annual fees and Ms. Chavez said her company is. Mayor Pro-Tem Towne said Ms. Chavez has the most experience and quality and Mayor Grunch also supports the recommendation.

2012-08-114

Moved by Neidhamer

Second by Towne

MOTION

To confirm the City Manager's appointment of Debra Chavez as the City's contractual Assessor, award a three year agreement to DC Assessing Services of Traverse City at not to exceed annual amounts of \$54,160, \$54,160 and \$55,110 contingent of the final agreement by the City Attorney, and the receipt of similar approvals from the Cities of East Jordan and Charlevoix and authorize the City Manager and City Clerk/Treasurer to sign the required documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

BS & A Software

Consideration of the City Commission to authorize the purchase of Assessing Software and to upgrade the Tax Administration Software to the .NET version from B S & A Software in the amount of \$11,000 including training and installation and to purchase server upgrades and installation from Marcor Technologies, LLC at a cost of \$757.90 and authorize the City Manager to execute the documents.

City Manager Cain discussed the need to purchase software necessary to support Assessor and also an upgrade to the service and current tax administration software.

Staff Comments: None

Citizens Comments: None

Board Deliberation: All are in agreement.

2012-08-115
 Moved by Towne
 Second by Sansom

MOTION

To authorize the purchase of Assessing Software and to upgrade the Tax Administration Software to the .NET version from B S & A Software in the amount of \$11,000 including training and installation and to purchase server upgrades and installation from Marcor Technologies, LLC at a cost of \$757.90 and authorize the City Manager to execute the documents.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Consideration that the City Commission approve awarding the bid for the Hannah Street Reconstruction to the low bidder Tri-County Excavating for the amount of \$405,960.30 and authorize the City Manager to sign the required documents.

Hannah Street Bid Awards

Public Works Superintendent Andy Kovolski discussed the bid received from Tri County Excavating of Harbor Springs for the reconstruction of Hannah Street. The bid came in higher than the engineer estimate. There have been built in contingencies within the estimated quantities of the bid that he and Dan Meads agree with. Tri County has worked for the City in the past and Larry Fox of C2AE also agrees with the recommendation.

Citizens Comments: None

Staff Comments: None

Board Deliberation: Commissioner Neidhamer asked for contingency clarification from Mr. Kovolski. Mayor Pro-Tem Towne said we should move forward now if there are possible future cost increases. Commissioner Gaylord agrees. Commissioner Sansom asked when the start date would be and was informed the project should start by early September. Mayor Grunch agrees.

2012-08-116
 Moved by Towne
 Second by Gaylord

MOTION

To approve awarding the bid for the Hannah Street Reconstruction to the low bidder Tri-County Excavating for the amount of \$405,960.30 and authorize the City Manager to sign the required documents.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Consideration that the City Commission approves the purchase of 15 Lumec Streetscape Lights from the Dynamic Group for the amount of \$42,775 and authorize the City Manager to sign the required documents.

Lumec Light Purchase

Public Works Superintendent Andy Kovolski discussed the proposal from

Lumen for streetscape lights for the Park Street project as well as planned additions to street lighting on North Lake Street by Bay Winds Credit Union and on Front Street by Main and Pine Streets. Also included in the proposal are three fixtures to have for spares in our inventory. Bay Winds will be reimbursing the City for the three fixtures at their site.

Staff Comments: None

Citizens Comments: Ron Crozier asked how far we are going out with the lights. When do we put a stop to it. City Manager Cain said there are no firm plans where they are going. We are trying to have them at key locations. Preliminary long term vision is along North Lake Street to Glens to tie in a common theme.

Board Deliberation: Commissioner Neidhamer is in support. Commissioner Sansom asked if Main Street will purchase some and City Manager Cain said he will check on that. Commissioner Sansom added she generally gets good feed back from the community. Are there any power savings? City Manager Cain said we are saving with our ability to dial down the lights and there should be a cost savings over time. Commissioner Gaylord asked how many lights are dedicated to the Park Street project and was informed nine. He also asked if there is anything regarding Main Street that prevents them from paying. They have plenty of money. City Manager Cain said most of streetscape funds are coming from Main Street. Andy Kovolski said they typically itemize what Main Street will contribute. Commissioner Gaylord said he is also with Mr. Crozier that this type of lighting is generally associated with a downtown. Within a DDA, it would be appropriate. Mayor Pro-Tem Towne said he agrees since funds are available.

2012-08-117
 Moved by Towne
 Second by Sansom

MOTION

To approve the purchase of 15 Lumec Streetscape Lights from the Dynamic Group for the amount of \$42,775 and authorize the City Manager to sign the required documents

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Commissioner Towne said he received a citizen concern about boat trailers taking space for public parking. Harbormaster Barb Brooks said the boat trailers that are in the parking lot north of City Hall belong to marina guests who trailer their boats here. Commissioner Gaylord said it was unfortunate that all City Commission Members could not have been present for the recent Governor appearance in Boyne City and it was unfortunate they weren't all included. Mayor Grunch said it was to be a limited to a handful of people. Commissioner Sansom said it is nice to have the status of the second most beautiful lake in the Country and Mayor Grunch said our chamber did an excellent job of driving this.

Good of the Order

Moved by Mayor Grunch, seconded by Mayor Pro-Tem Towne to adjourn
the regular City Commission meeting of Tuesday, August 14, 2012 at 8:17
p.m.

**ADJOURNMENT
MOTION**



Ron Grunch
Mayor



Cindy Grice
Clerk / Treasurer