

**JANUARY 27, 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 JANUARY 27, 2015

CALL TO ORDER

Mayor Pro tem Towne called the meeting to order at 7:00 pm followed by the Pledge of Allegiance.

Present: Commissioners, Mayor Pro-Tem Towne, Commissioner Gaylord, Laura Sansom and Tom Neidhamer

Absent: Mayor Grunch

Staff: Michael Cain, Barb Brooks, Andy Kovolski, Scott McPherson, Jeff Gaither, Kevin Spate, Syrina Dawson, Dennis Amesbury, Michelle Hewitt, Deb Chavez and Karen Seeley

Others: There were 29 citizens in attendance including representatives from the Petoskey News Review, 7&4 News and the Boyne Gazette.

EXCUSE MAYOR GRUNCH

2015-01-005
Moved by Towne
Second by Gaylord

To excuse Mayor Grunch from attending today's meeting

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

CONSENT AGENDA

MOTION

2015-01-006
Moved by Sansom
Second by Gaylord
2015-01-006A
Approval of the January 13, 2015 City Commission Facility Work Session meeting minutes as presented
2015-01-006B
Approval of the January 13, 2015 Regular City Commission meeting minutes as presented

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

CITIZENS COMMENTS

None

CORRESPONDENCE

Correspondence from Plunkett & Cooney regarding Michigan Open Meetings Act
Correspondence from State of Michigan Dept of Licensing & Regulatory Affairs regarding transfer of ownership of 2014 Resort Class C & SDM License for Friggy's Sobo Pub LLC
Correspondence from Leslie M. Neilson regarding use of fluoride in the City of Boyne City's water system

City Manager Cain reported:

- Appointed John Drury to the Housing Commission.
- The ice pole failed and broke off; we will keep the shorter section.
- Last Friday we received the executed grant agreement from the MEDC for the Boyne Mountain sewer project
- The Charlevoix County Summit was well attended
- Today we received our MDEQ revised permit for the Lower Lake Street outfall project and we are waiting on the Army Corp of Engineers
- We are making progress with hiring a Main Street Manager
- Interviewed a candidate for the Water/Wastewater position

The December, 2014 Financial Statement were received and filed.

None

City Manager Cain reviewed his memo with the Commission. On January 13th the City Commission held a work session to get an update from our facilities consultant, Ray Kendra of Environment Architects, on the status of the proposed North Boyne DPW facilities design and also talk about overall funding options. At that time it was reported that we should be able to pay the estimated \$2.6 million dollars for the new DPW facilities out of existing savings. Discussion on options for funding the rest of the proposed facilities to house other City Departments (Fire, Ambulance, Police and the rest of the City Hall operations) that would remain housed on the City Hall complex site. Three main options for funding the balance of the City facilities were discussed 1) Use future savings going forward. 2) The City could raise the existing millage level to the maximum amount possible that does not require a public vote. 3) Take a millage increase ballot measure to the voters at some future election. In calculating what millage rate would be required to fund the project, which is estimated at \$7 million, Paul Stauder, the City's financial consultant, estimated it would be a twenty year levy of 2.7 mils the first year and 2.3 over the term. Cain also touched on millage history, future cost increases, the low cost of money at this time, and increased utility costs for the building we have at the present time. The board received a City Facilities Information fact sheet to better clarify frequently asked questions. (received and filed) Ray Kendra reviewed the process of how we got to the two options that are being considered. Phase one; moving the DPW to North Boyne. Phase two; City Hall complex (including Fire, Ambulance and Police).

Staff Comments: None

Citizens Comments: Lori Meeder; 322 E Cedar Street: I would like to voice my support of a bond issue to rebuild the city hall complex. We have a beautiful and historic town and we have taken such care and strategic measures to rebuild our downtown district to its historic integrity. Our city complex that sits on our beautiful Lake Charlevoix shoreline and should be the pride of our community is old, outdated inefficient and not very appealing. It is at a point where more and more operating dollars will need to be spent to band aid the structure, the roof and the mechanical equipment not to mention the cost of utilities. With interest rates at historic lows, construction costs down due to lower energy prices and the efficiencies that can be achieved in completing a project in one phase create the perfect storm to do this now. This is our opportunity to

CITY MANAGERS REPORT

REPORTS OF OFFICERS, BOARDS AND STANDING COMMITTEES CITIZENS COMMENTS

City Facilities Financing

invest in our future. This will only add to the overall appeal of our town. The new economy principal has proven that if you create a wonderful sense of place that appeals to talented people and workers, you will build a vibrant and economy and community. This is an opportunity to do that. Eleanor Stackus; 417 Front Street: I have been a part of the City for the last twenty years as a commissioner and mayor). This isn't the first time this has been on a City Commission agenda. I think its time we move forward and I agree with Lori 200%. I hear comments about the city all the time it's beautiful. I was Mayor for ten years. I did all of the Mayor exchanges, and saw all of the departments and what they had. I was impressed by several of the cities. But when they came here, I refused to take them through the DPW, Police and Fire departments. There is no space, no room, you need to make a decision and move forward and do it all at once. I encourage everyone here to go though those building and see what they look like.

Ward Collins; 132 Silver: I've only been a resident for a couple of years, but have been coming up here for decades. I have always been impressed how the city updates itself continuously, especially the Main Street program; they have made us one of the gems on the lake here. I don't think anybody is very proud of this facility. It's falling apart and desperately needs to be replaced. I think the city and the commission has done a very good job at advertising the need for a new facility. I encourage you go ahead with the millage and get the job done, its time to take it to the voters.

Scott MacKenzie; 847 W. Division: I concur that improvements need to be made; my one concern is that for sixteen years at all of our community gatherings we talked about where city hall should be. Consistently it was moving city hall off the waterfront, and all of a sudden things changed, I am assuming it is probably because we couldn't find anywhere else to put it. Regardless of that, I concur 100% that DPW needs new facilities.

I love this design concept but keeping in mind what the public has been saying for all of those years about the views and water front it should be a minimal a foot print as possible to preserve the integrity of the beauty of what we have on our shorelines. I like this; I like the DPW being moved off the waterfront. I am in favor of the millage and in favor of doing it right with the best foot print and design to keep up with what we are doing with this town. It needs to be a model of expertise for this community.

Leslie Nielson; 119 Water Street: When I first moved here, I got involved with the Chamber and shortly thereafter we started the Main Street. During that time, I know that at least two or possibly three Market Studies were performed. Each of these studies said these facilities need to get off this land ASAP, they do not belong there. It is prime property to do whatever we choose to with. I agree with Scott, yes we need something, but it doesn't belong here.

Mark Brzezinski; 122 W Court Street: Is this the final location? Where there other sites reviewed for potential locations? City Manager Cain explained that about three years ago, there was a very extensive public process of all city property we had and all public property available. We looked at the Consumers Energy building, at Rotary park, and maybe moving a portion to State Street at the Ed's Electric building. We also looked at the Industrial Park. We spoke to our emergency services that not only service Boyne City, but our neighboring communities as well. We took into consideration the crews and how far they would have to travel

and we kept coming back to this site, which is centrally located for everything except the DPW. We could not come up with another viable location and we tried.

Jim Bauman; 1119 West Street: As you look at the map, look at the blocks and miles of lake front we have. Why not give up a couple hundred yards for a show piece for city hall, a place where we have important community meetings. You tried to find other places, how long are we going to wait? That will make the cost higher. I don't know if we can get 2.7 mills passed, that's going to be a tough sale. You're going to raise the price if you buy ten acres somewhere else. I think this is a great design and you have shown your conservative financial nature by saving 2.5 million dollars to pay cash for the DPW building and getting that off the water front. I think it's a great plan and you should go for it.

Becky Harris; 1296 Marshall Road: I have come around to believe this is the best place for City Hall. At first I thought I shouldn't be here. When I think about where it should go, I couldn't come up with anything. I spend a lot of time here, and it should be downtown. My husband and I support it, and I think we need to do it all at once.

Lori Meeder: What is the square footage of the new building versus what we have now? The existing city hall is 14,711 square foot and the existing DPW is 14,711 square foot, for a total of 28,000 square feet. The new building will be about the same, but compressed in two stories, which makes the structure foot print less than what is existing now. There is a lot more open space. Moving the new building closer to the street opens up the view corridors. The preliminary parking lot we have proposed came from the city input sessions where a lot of people said there is inadequate parking to service the park. So this area will service the park and also opens up that area of the water front that is not being used behind the ball park. The drive view of the fire hall is going to have glass doors, so you will be able to see through them.

Scott MacKenzie: How green are we looking at with the design? Every thing that we do, will be at least 20% better efficiency than what we have today. How does this fit into the Veteran's Park design? All of that information was presented to Ray and the groups that were working on that. This basically moves the building to the road front and leaves the area behind it open. City Manager Cain explained that when we started this process, a lot of other processes were going on like the pavilion and talk about the ball fields and the Commission instructed Ray to focus on the facilities only at this time. We will be doing less on the waterfront so there will be more opportunities in the future.

Ward Collins: I encourage you to put the building on this site. With the DPW moving, that beautifies the land itself. You have kept it off the lakefront, so the lake front is still available for people to enjoy. The emergency vehicles should be in the center of the city.

Lori Meeder: In looking at the site plan, all that parking doesn't look as appealing, and I don't think it will to other people. Maybe we could minimize the parking. Becky Harris suggests doing some green landscaping with the parking lot.

Mark Brzezinski: The tax increase part of that you could increase with a non vote by .9 mills correct? Or a 2.7 millage increase vote? Yes. If it

comes that the millage is not passed, then what? Then it would have to come back to the City Commission and the City Commission would have to discuss with the staff, and step back and take a look at why it didn't pass, and how to proceed in the future.

Scott MacKenzie: If you do get a clock, get one that works. City Manager Cain explained that the historic clock has been preserved, and is in a secure place and many of our discussion points has been to have it restored. The budget doesn't include clock restoration, but we will have the facility there to house it and may be eligible for grant funds. In addition the tower is designed to be used for hose drying also. Right in front of the building, you will see that the old La France is on display. We are coming up on the 100 year anniversary of their first motorized piece of equipment and is a big piece of Boyne City's history.

Board discussion:

Commissioner Neidhamer: I appreciate the comments. I believe we should go to the vote of the people in May for the 7 million dollars to complete a new city hall to include fire, ambulance, police and museum. We are wasting money on rent, utilities, and efficiencies. The ingress and egress for the fire department is not a good situation. We will spend millions putting a band-aid on this building; I think we should start right from scratch. This is the best time to do it financially. We have had many studies and been doing this too long. We have all been in agreement to keep continuing forward to study this. We don't need another study; we have enough information to make a decision. I like the location here, traditionally, you look at towns across the country, and the city hall is centrally located. The response time is much better being centrally located, and they will be exiting off of Lake Street, which is safer. It is long over due to do our part to build a facility that we can be proud of for the fifty to eighty years. We have all the information to bring it to a vote in May. If we wait until November, we could potentially leave it to another commission, as there are two of us whose terms are up in November.

Commissioner Gaylord: I have been consistent on the topic as far as the need. This facility does not serve the public the best as it could and does not represent Boyne City as it has been and continues to be. I respect everyone's opinion of where it should be. This should always be the place for the facility. The location opens up the green space. In my opinion the emergency services should all be together and centrally located. It is services for the citizens, and how best to deliver those with the staff and the equipment. The concept of this project is on sound footing. How do we want to pay for it and how do we want to proceed? Present the facts, the design, the needs and the financial aspects, and let the citizens decide how to proceed. As far as the need, I am behind this 100%. The citizens will decide how we proceed.

Commission Sansom: I am in favor of this. The design is attractive; it is important to have the facilities in central location and is closer to the street than the water front. I am in favor however we can do it.

Mayor Grunch via telephone call: We have to be mindful of who our customer is. Our services go beyond the city limits. We have six

townships that we provide fire and ambulance for. We need to keep this operation together and in order to do that we need good response time for our emergency services, and where city hall is right now is the best place to do that. I am in support of putting it to a vote of the people.

Mayor Pro-tem Towne: It is time to move forward. There is definitely a need for new facilities. I support the millage rate for the project; leave it up to the citizens to decide.

2015-01-006
 Moved by Neidhamer
 Second by Sansom

MOTION

To direct staff to prepare ballot language for a vote of the people for the May 5th election in a measure to raise the 7 million dollars as outlined by our financial advisor. With a final review February 10th at a noon meeting. Change the February 10th meeting to a noon meeting to review the language in time to submit it to the County Clerk by the 4:00 p.m. deadline.

Board discussion: City Manager Cain said that we can work together with our financial attorneys and bond consultants to get the proper language and get to you at the February 10 meeting. We can our financial consultants available at that meeting in case the commission has any questions at that time.

Commissioner Gaylord: Moving the final decision to the noon meeting on the 10th, is the appropriate thing to do. There is large number of media here and that gives them some time to give out the FAQ information and the financials and will give the citizens additional time to weigh in., either by coming to the meeting or contacting city staff or the commissioners.

Ayes: 4
 Nays: 0
 Absent: 1, Mayor Grunch
 Motion Carried

Commissioner Neidhamer: I have a question for Ray or possibly Mike; Anticipating less utilities and not paying rent for the ambulance building, the money saved could potentially reduce the debt or pay it off sooner? That is something we might want to talk to our bond council about. We may be able to pay our loan off sooner

Commissioner Gaylord: I'm going to present that, so the citizens know that if we save as we go we could pay the loan off sooner.

Commissioner Neidhamer: In regard to our Ambulance and Fire services, we service the townships and the millage rate will not fall on them, is there anyway to establish some kind of income from the townships to help pay for this? Ideally that is something that is built into the rates we charge them. In some respects they are already paying for some of the facilities. But we also don't to price ourselves out of a contract either.

**Court Street Engineering
Services Amendment**

DPW Supervisor Andy Kovolski explained that Court Street from Lynn Street to Park Street and North Lake Street from Lynn to Court is in dire need of reconstruction. The road project in in line to received funding thru MDOT Local Agency Task Force in 2015. This is the same funding stream utilized for the Division Street Project. During engineering work for the project it was determined that the existing 18" storm pipe that runs from the retention pond at the intersection of N. Lake and Lynn Streets is undersized. In order to handle 25 or 100 year storm it needs to be upsized to a 24" pipe. Along with the upsizing the pipe, I asked them to realign the pipe route to alleviate the slight backflow condition caused where it currently merges with the East Michigan Storm pipe. The proposal from C2AE covers Design Engineering and Construction Engineering. They propose to complete this work for a cost of \$12.500.

Staff Comments: City Manager Cain stated that if we don't fix this now it will be another Douglas Street and we will be dealing with it after the fact. We should do it now and add it to the grant.

Board Comments: Commissioner Gaylord: If were going to do it, lets do it right, it falls under the 80% grant match. Fix the problem before it starts. I am in full support.

Commissioners Neidhamer and Sansom and Mayor Pro-Tem Towne are all in support.

Mayor Grunch-via telephone is in support.

2015-01-007

Moved by Gaylord

Second by Sansom

To approve the contract amendment with C2AE for Engineering Services in the amount of \$12,500 and authorize the City Manager to sign the required documents.

Ayes: 4

Nays: 0

Absent: 1, Mayor Grunch

Motion Carried

**National Trust for Historic
Preservation Grant**

Barb Brooks, Executive Assistant explained that the Marketing Committee which is a subcommittee of the Main Street Program has been exploring the idea of expanding the community's downtown walking tour that has been discussed at previous Main Street meetings. Currently there is a brochure that ties with a handful of our historic building in the downtown. The committee is proposing to build on what we currently have, make it more accessible, more appealing and highlight more buildings in the historic areas or events. People will pick up a brouchure that includes a map and listing of the buildings and sites included in the tour and a QR code that links to an audio description and history of each. The purpose of the project is to 1) preserve and share our downtown history with residents and visitors 2) offer another activity that can be done any time and at varying interactive levels 3) attract visitors 4) fulfill expectations for historical preservation as a Main Street community.

The Nation Trust for Historic Preservation offers a competitive grant and is intended to encourage preservation at the local level by providing seed money for preservation projects. The grant requires an equal match from the community. The estimated project cost is \$6000. Main Street currently has \$3,000 earmarked in their budget for this project which will cover the match if we are successful.

Citizens Comments: Scott MacKenzie: I encourage the commission to move forward and educate the kids on the history of where they live.
Commission Comments: All commissioners are in full support.

2015-01-008
Moved by Gaylord
Second by Sansom

MOTION

To approve the request to submit a grant application to the National Trust for Historic Preservation in the amount of \$3000 on behalf of the City and authorize the City Manager to sign the necessary documents to implement the grant if we are selected.

Good of the Order

Commissioner Sansom said she is noticing quite a few pot holes in town. City Manager Cain said to let the DPW know of any pot holes in town. The next regular City Commission meeting will be Tuesday, February 10, 2015

Adjournment

MOTION

Moved by Mayor Pro-tem Towne seconded by Commissioner Gaylord to adjourn the regular City Commission meeting of Tuesday, January 27, 2015 at 8:50 p.m.

Gene Towne
Mayor-Pro Tem

Karen Seeley

Karen Seeley
Deputy Clerk