

**JANUARY 22, 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 JANUARY 22, 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: John Lamont, Scott McPherson, Patrick Kilkenney, Tim Faas, Mark Fowler, Barb Brooks, Michael Cain, Cindy Grice and Jeff Gaither

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

**CONSENT AGENDA
MOTION**

2019-01-004
Moved by Conklin
Second by Grunch

Approved the December 11, 2018 City Commission regular meeting minutes as presented

Approved to appoint Danyell Minier to the Board of Review for a three-year term expiring 1/31/2022

Approved to award a contract for deicing salt to Compass Minerals in the amount not-to-exceed \$14,912 per the State of Michigan bids obtained last fall and authorize the City Manager to execute the documents

Approved of the recommendation of the Airport Advisory Board to appoint Doug Brubaker to the Airport Advisory Board with a term ending August 24, 2021

Approved the recommendation of the Airport Advisory Board to appoint Allen Sturza as an Ex-Officio member of the Airport Advisory Board with a term ending August 24, 2021

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

None

CORRESPONDENCE

A thank you from the United States Marine Corps Reserve for the City's participation on the 2018 Toys for Tots program and communication from Nancy LaCroix regarding recreational marijuana were received and filed.

**CITY MANAGERS
REPORT**

City Manager Cain reported:

- Consumers Energy is continuing their tree trimming program
- The Fat and Flurrious Bike event was held this past weekend and everything went well.

- The deadline to file petitions to run for City Commissioner is April 23, 2019 at 4:00 p.m.

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

The December, 2018 Financial Statement was received and filed.

Review and consideration of goals, high priority actions and quarterly review dates.

Goals Adoption

City Manager Cain reviewed the minor changes to the goals and high priority actions. There was a consensus of the Commission in agreement of the changes to the action items as presented.

**Boyne City to Boyne
Falls Trail TAP Grant
Resolution**

Consideration to approve the funding confirmation resolution for the TAP grant for the Boyne City to Boyne Falls Trail as presented.

Planning Director Scott McPherson discussed the proposed resolution to affirm that funding, including matching funds for the Boyne City to Boyne Falls non-motorized trail are in place and the City will provide maintenance to the portion of the trail that is located in Boyne City. The passage of the resolution is required for obtaining the TAP grant.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement.

MOTION

2019-01-005

Moved by Page

Second by Solomon

To approve the funding confirmation resolution for the TAP grant for the Boyne City to Boyne Falls Trail as presented

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Flood Insurance
Ordinance First Reading**

Consideration of a first reading to adopt an ordinance addressing floodplain management provisions of the State Construction Code and schedule a second reading for February 26, 2019

Planning Director Scott McPherson discussed the Flood Insurance Study (FIS) and Flood Insurance Rate Maps (FIRM) for Charlevoix County and all jurisdictions in the County which have been completed and delivered. The maps are set to become effective on May 16, 2019 and will replace the existing FIRM maps. The City has participated in the National Flood Insurance Program since 1982 and there are a number of properties in the City that are currently covered by the NFIP.

With the updating of the FIRM there are actions the City needs to take in order to remain in the program and insure uninterrupted

insurance coverage to City residents that are covered by NFIP. If the City does not adopt the updated map City residents will no longer be eligible for flood insurance through the NFIP and would be forced to purchase private flood insurance at a significantly higher cost. Prior to the May 16, 2019 effective date the City will need adopt an ordinance addressing floodplain management provisions of the State Construction Code and pass a resolution and Intergovernmental agreement to manage floodplain development for NFIP.

The adoption of the ordinance and resolutions will not change any current policy, procedure or responsibility. The adoption of the ordinance will update the ordinance adopted in 1982 and the resolution reaffirms the City's commitment to participate in the NFIP, and formalizes the agreement with Charlevoix County to continue to be the enforcing agency using existing provisions in the state construction codes.

Staff Comments: City Manager Cain added that this matter will also be discussed at the upcoming Charlevoix County Elected Officials summit next week.

Citizens Comments: None

Board Discussion: All are in agreement.

MOTION

2019-01-006

Moved by Solomon

Second by Conklin

To approve the first reading to adopt an ordinance addressing floodplain management provisions of the State Construction Code and schedule a second reading for February 26, 2016

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Flood Insurance Resolution

Consideration to approve a resolution and Intergovernmental agreement to manage flood plain development for the National Flood Plain Insurance Program to reaffirm the City's commitment to participate in the NFIP and formalize the agreement with Charlevoix County to continue to be the enforcing agency using existing provisions in the state construction codes

MOTION

2019-01-007

Moved by Solomon

Second by Page

To approve a resolution and Intergovernmental agreement to manage flood plain development for the National Flood Plain Insurance Program to reaffirm the City's commitment to participate in the NFIP and formalize the agreement with Charlevoix County to

continue to be the enforcing agency using existing provisions in the state construction codes

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Boyne Avenue
Properties LLC
Brownfield
Development
Agreement**

Consideration to approve proceeding with the MDEQ Brownfield Grant and its implementation agreement with Boyne Avenue Properties, LLC at 437 Boyne Avenue as presented and authorize the Mayor and City Manager to execute any documents associated with them

City Manager Cain said that late last year the City became involved in efforts to obtain Michigan Department of Environmental Quality (MDEQ) Brownfield grant funds to help a local property owner redevelop their recently acquired property at 437 Boyne Avenue. Others involved in this process are the owners the MDEQ (Julie Lowe, Brownfield Redevelopment Coordinator), the Boyne City Main Street Program and Otwell Mawby (Mac McClelland) as the environmental consultant.

For many years the building on their property on M-75 South was known as REH Acres. Prior to that it had a history as a gas station and repair shop. Apparently over time underground fuel tanks and other items from those earlier uses leaked contaminants into the ground. While the tanks were removed years ago, contaminants still remain and are being monitored by the MDEQ.

The current owners of the site, Boyne Ave Properties, LLC, represented by Bob Earl, are working to redevelop and remodel the site to house multiple businesses. Their plans have been reviewed, modified and approved by the Main Street Design Committee and the Boyne City Planning Commission. Work is well underway on the improvements.

As planning for the site's redevelopment went forward it was determined that a vapor barrier was warranted to insure that occupants of the building were protected from contaminants remaining in the soil. The MDEQ has a grant and loan program to help deal with such environmental issues and their mitigation. The opportunity being discussed here is a grant that would pay for the vapor barrier and several matters related to it. The grant being requested for the environmental work is \$105,925. Page 9 also reflects \$10,000 in local funds which are a previously approved grant from our Main Street program to help with the owner's façade improvement costs. For the project to qualify for this funding, the City must be the applicant. The property owner can not apply for it themselves. There is no cost, other than some minor staff time, or profit to the City in participating in this program. The benefit to the City, and the community, is the redevelopment and reuse of the property and building and the improved protection from inherited environmental issues.

Otwell Mawby is the environmental consultant. The MDEQ also uses Mac's services frequently. Mr. Earl, who did not know Mac before this process began, also seems very comfortable with retaining him and his firm. The services of Otwell Mawby will be paid for by the grant.

As noted before the City doesn't need to get involved in any of this but the benefits to all parties, including those to the City and community as a whole, far outweighing any very limited risks or additional work involved.

Julie Lowe said the DEQ heavily supports this project for the vapor mitigation system.

Staff Comments: None

Citizens Comments: Property owner Bob Earl thanked the City for their involvement.

Board Discussion: Commissioner Conklin inquired if the building would be worthless without this and was informed without the mitigation, there would be no occupancy permit issued. All Commissioners are in agreement with the recommendation.

MOTION

2019-01-007
 Moved by Conklin
 Second by Grunch

To approve proceeding with the MDEQ Brownfield Grant and its implementation agreement with Boyne Avenue Properties, LLC at 437 Boyne Avenue as presented and authorize the Mayor and City Manager to execute any documents associated with them

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Proposed Sale of City Properties

Consideration to authorize the City Manager to put two properties on West Court Street out to bid

City Manager Cain stated that over the last couple of years the City has gotten more serious regarding the possible properties the City feels it no longer needs. The subject has received more attention as the community has looked at options to address housing needs.

Proposed for consideration are two possible pieces of property the Commission may wish us to put up for sale. The City Attorney advises that such properties be placed out for bid. In placing them out for bid the City Commission can consider various factors in addition to price as it determines what if any offers it would wish to pursue as 'in the best interest' of the City.

Such factors could include: 1) Conformance with the City's Master Plan; 2) Number and type of housing units proposed; 3) Long term

financial implications for the City; 4) Work schedule proposed including commencement and completion of construction; 5) Local workforce utilized; 6) Educational Opportunities provided; 7) Number of year round residents.

Other factors could be considered. All factors would be reviewed to insure legal compliance.

Both sites are on sections of West Court Street. They were selected in part because the necessary infrastructure is on site or nearby such as: paved roads and all utilities. The first site is about a 3 acre site just east of Lakeview Apartments. The property is zoned Multi Family Residential. The second site is about 3.15 acres between Robinson and Escape Streets with frontage on both. We are verifying the Traditional Residential District zoning for this area. This site currently contains the Community Garden which would need to be relocated. This is adjacent to the existing small dog park and their proposed agility area. A proposed open space grassed area south of the small dog park would be made available for development under this proposal.

Both these sites were discussed in the housing solutions forum held late last year as lead housing development sites, among city owned properties. We have also had interest from potential developers regarding both these sites.

Any bids received would come back to the City Commission for further consideration. The Commission would have the options of accepting or rejecting bids as it determined to be in the City's best interest. We have not had the properties surveyed, appraised, or otherwise evaluated. The properties would be sold as is unless otherwise agreed in writing by the parties.

We have also put out our yellow informational signs on these properties in advance of the Planning Commission and today's meeting. In addition to the City Commission meeting this was discussed at the Planning Commission's January 21st meeting.

Staff Comments: None

Citizens Comments: Bob Brooks said he would have a plan for housing for the property but timing is based on financing from the State.

Board Discussion: Commissioner Solomon said this would meet a specific goal of housing. All Commissioners are in agreement with the recommendation.

MOTION

2019-01-009
Moved by Solomon
Second by Page

To authorize the City Manager to put two properties on West Court Street out to bid

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

**Charlevoix County
 Parks Millage
 Applications**

Consideration to approve to submit an application request in the amount of up to \$10,000 for the Peninsula beach Park Recreation additions and \$9,929 for the Avalanche Park Recreation additions, adopt the resolutions supporting the applications for the projects and authorize the City Manager to sign all of the required documents to secure the funds.

Assistant Planner Patrick Kilkenny discussed the proposed applications for the 2019 Charlevoix County Parks Millage grants. Each of these applications are supported by the Parks and Recreation Commission. The first one is for Peninsula Beach Park for construction of new playground equipment within the park. The second is for installation of trail signage and bicycle racks for Avalanche Park. No matching funds are required for the Parks Millage Applications and the maximum fund allocations is unofficially capped at \$10,000 per project.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation.

2019-01-010
 Moved by Solomon
 Second by Page

MOTION

To approve to submit an application request in the amount of \$10,000 for the Peninsula beach Park Recreation additions and \$9,929 for the Avalanche Park Recreation additions, adopt the resolutions supporting the applications for the projects and authorize the City Manager to sign all of the required documents to secure the funds.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

**Well #5 Automatic
 Transfer Switch Install**

Consideration to approve the proposal from Windmuller Electric to install an automatic transfer switch for the generator at Well #5 in the amount of \$6,655 and authorize the City Manager to execute the documents.

Water/Wastewater Superintendent Mark Fowler discussed the costs for the installation of the automatic transfer switch for the generator at well #5. The lowest quote was from Windemuller in the amount of \$6,655. This generator is necessary for power outages to start and

automatically transfer the well house power in order to run the pumps and chemical feed equipment properly.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation

MOTION

2019-01-011
 Moved by Conklin
 Second by Solomon

To approve the proposal from Windmuller Electric to install an automatic transfer switch for the generator at Well #5 in the amount of \$6,655 and authorize the City Manager to execute the documents.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Cemetery Maintenance Contract

Consideration to approve a three year contract with Northern Michigan Escapes to provide Cemetery maintenance services in the Maple Lawn and Wilson Cemeteries in the amount of \$25,000 per year and authorize the City Manager and City Clerk/Treasurer to execute the documents.

Clerk/Treasurer Cindy Grice discussed the bids advertised for and received for the Cemetery Maintenance Contract. Four proposals were received, the lowest cost from Northern Michigan Escapes for the amount of \$25,000/year. Cemetery Foreman Rob Lavanway and I met with Jeremy Neer, Lawn Care Division General Manager from Northern Michigan Escapes earlier this week who assured us they have the proper equipment, appropriate number of staff and understanding the importance of providing quality maintenance services. I contacted the references Mr. Neer provided and all were favorable.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation

MOTION

2019-01-012
 Moved by Page
 Second by Grunch

To approve a three year contract with Northern Michigan Escapes to provide Cemetery maintenance services in the Maple Lawn and Wilson Cemeteries in the amount of \$25,000 per year and authorize

the City Manager and City Clerk/Treasurer to execute the documents.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Audit Renewal Proposal

Consideration to approve of a contract with Gabridge & Co. to provide auditing services in the amount of \$42,600 for three years, plus if the City requires that a Single Audit be performed, an additional fee of \$3,000 per year would be charged and authorize the City Manager and City Clerk/Treasurer to execute the documents

Clerk / Treasurer Grice stated that Gabridge and Co. have been our Auditors since FYE 2014. Our experience with the team at Gabridge has been excellent. They are professional, informative, timely and provide valuable support throughout the year. Staff from Gabridge continually keep us updated on changing applicable GASB rulings, while providing insight.

This past fiscal year was the last year of our five-year contract with Gabridge. The last time we requested bids from auditors was in January of 2014. We received four bids at that time. The highest was for \$89,000 for five years while the lowest was for \$64,840 for five years. Both bids were before any possible Single Audit costs. After an interview with Joe Verlin from Gabridge, we made the recommendation to the Commissioners to enter into a five year contract with Gabridge & Associates and have been very pleased with the excellent services they have provided. During that time, we have received the GFOA's Certificate of Achievement for Excellence in Financial Reporting Award for FYE 2016, FYE 2017 and have sent in our submission for the FYE 2018 award. The choice made in 2014 was an excellent one.

We recently received a proposal from Joe Verlin with Gabridge & Co. to continue to auditing services to the City of Boyne City for an additional five years with minor increases each year with separate fees of \$3,000 fee per year for a single audit if necessary. A single audit would only be necessary if the City has federal expenditures of over \$750,000 during that fiscal year.

Two major upcoming changes are ahead of us. The State of Michigan is continuing with its Chart of Accounts conversion requirement and the Governmental Accounting Standards Board (GASB) is now implementing GASB Statement No. 75. GASB 75 will be requiring improved accounting and financial reporting by state and local governments for post employment benefits other than pensions. We will be assisted with the Chart of Accounts conversion from our accounting software provider, BS&A in part, but the value of having an auditing firm understand our policies, procedures and current Chart of Accounts will prove to be invaluable to staff in the upcoming few years. Continuing professional services with Gabridge

with be somewhat like continuing to contract with various engineering firms for professional services.

Staff Comments: City Manager Michael Cain and Deputy Treasurer Michele Hewett expressed their agreement.

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation

MOTION

2019-01-013
Moved by Solomon
Second by Page

To approve of a contract with Gabridge & Co. to provide auditing services in the amount of \$42,600 for three years, plus if the City requires that a Single Audit be performed, an additional fee of \$3,000 per year would be charged and authorize the City Manager and City Clerk/Treasurer to execute the documents.

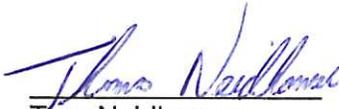
Ayes: 5
Nays: 0
Absent: 0
Motion carried

Good Of The Order

None

ADJOURNMENT

Motion by Mayor Neidhamer, second by Commissioner Conklin to adjourn the Regular City Commission meeting of Tuesday, January 22, 2019 at 1:57 p.m.


Tom Neidhamer
Mayor


Cindy Grice
Clerk/Treasurer