

**JANUARY 10, 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 JANUARY 10, 2012

CALL TO ORDER

Mayor Ron Grunch called the meeting to order at 7 pm followed by the Pledge of Allegiance.

Present: Mayor Ron Grunch, Mayor Pro-Tem Gene Towne, Commissioners Derek Gaylord, Laura Sansom and Tom Neidhamer

Staff: Cindy Grice, Scott McPherson, Andy Kovolski, Michael Cain, Barb Brooks, Dennis Amesbury, Dan Meads, Craig Remsberg, John LaMont

Others: There were 63 citizens in attendance, including representatives from the Petoskey News Review, Boyne Gazette and Charlevoix County News

**CONSENT AGENDA
MOTION**

2012-01-001

Moved by Grunch
Second by Towne

2012-01-001A

Approval of the December 13, 2011 regular City Commission meeting minutes as presented

2012-01-001B

Approval to appoint Mark Dole to the Boyne City Historical Commission filling out the term of Betty Shaver with a term to expire on November 30, 2012

2012-01-001C

Approval to appoint Josette Lory to the Economic Development Corporation board to fill an unexpired term expiring March 11, 2013

2012-01-001D

Approval to appoint Josette Lory to the Local Development Finance Corporation board to fill an unexpired term expiring March 11, 2012 and extended to the next four year term ending March, 2016

2012-01-001E

Approval to appoint Gail VanHorn to the Parks and Recreation Commission to fill an unexpired term expiring December 31, 2015

2012-01-001F

Approval to reappoint Carl Wehner to the Parks and Recreation Commission with a term to expire December 31, 2015

2012-01-001G

Approval to appoint James Kozlowski to the Planning Commission to fill the remainder of the term vacated by Norman Gardner with the term to expire on May 31, 2014

2012-01-001H

Approval to reappoint Larry Lenhardt to the Main Street Board with a term to expire December 31, 2016

2012-01-001I

Approval to reappoint Jodie Adams to the Main Street Board with a term to expire December 31, 2016

2012-01-001J

Approval of request from Boyne City Public Schools to collect Summer Taxes for 2012

Ayes: 5
Nays: 0
Absent: 0
Motion carried

None

Notice of military operations aircraft exercises to be taking place from July 22 through September 1, 2012 was received and filed.

City Manager Cain reported:

- Wished all a happy and safe 2012
- 32 applications for Police Chief were received by the deadline.
- City Mechanic Jim McCary has retired, we are looking to contract the work rather than replace the position at this time.
- The F350 sold for \$6551.
- Any Christmas trees can be taken to North Boyne yard to be chipped.
- The balmy weather has not allowed us to prepare the two ice rinks.
- Reminder of the Goal Setting meeting on January 12, 2012 at St. Matthews Parish Hall

Draft Minutes of the December 1, 2011 Main Street Board Meeting; the December 19, 2011 Economic Development Corporation Meeting; the December 19, 2011 Historical Commission Meeting; of the December 20, 2011 Parks and Recreation Commission Meeting and the December 19, 2011 Planning Commission Meeting were received and filed.

Public Works Superintendent Andy Kovolski brought further information to the Commission regarding the amount of materials being dropped off at our North Boyne yard. He spoke with the Emmet County Transfer station personnel to inquire what they charge for yard waste. Andy recommended a \$500 annual charge to commercial users to drop off at our site and allow city residents to drop these items off at no charge.

Staff Comments: None

Citizens Comments: None

Board Deliberation: Mayor Pro-Tem Towne said the yard should be open at no charge to residents, no charge on limited quantities of compost materials and non-residents should be charged along with contractors. Commissioner Gaylord asked if the charges were enough to offset expenses. Andy said they are fair enough to start with. Commissioner Gaylord also asked about a timeline to initiate this program and how it would be enforced, also that he agrees with the \$500 rate. City Manager Cain said likely 60 days to do so in an orderly manner and would be monitored as we can. He added that we should start with the commercial customers first before we set a non-residential use rate. Commissioner Sansom said she agrees with the \$500 rate, how do we implement and will there be hours the yard would be open. City Manager Cain said the

CITIZENS COMMENTS

CORRESPONDENCE

CITY MANAGERS REPORT

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

**North Boyne Access Issues
Follow-up**

MOTION

idea is to contain our costs. Commissioner Neidhamer and Mayor Grunch said they are in favor of the charges.

MOTION

2012-01-002

Moved by Gaylord

Second by Neidhamer

To adopt a \$500 annual fee for Commercial users of the North Boyne Yard, implement in 60 days, notify all area landscape, tree removal and handyman companies who utilize the North Boyne Yard for brush, install signage before the entrance to the yard that better explains what is allowed to be dropped off and taken and by whom; and install an electric gate system at the entrance around the equipment and storage area that will limit access to the yard.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Review of issues, concerns and solutions involving Kirtland Products.

Kirtland Products Status

Planning Director Scott McPherson discussed the complaints that have been received since the start up of operations at Kirtland Products. Most of the complaints are noise related, but there have been some in regards to odor and dust. The noise created by the plant exceeds acceptable levels and is in violation of the Boyne City Zoning Ordinance Performance Standards sections 21.78. While the City does not have a free standing nuisance ordinance as referred to, the creation of objectionable noise, dust and odor is defined as a nuisance in the Zoning Ordinance and the noise created by Kirtland Products is in violation of the noise ordinance. Obviously, the preferred solution is for Kirtland Products to take quick actions and implement solutions on their own that bring the plant into compliance with performance standards of the ordinance. However, if they continue to operate the plant in violation of the Ordinance, the City does have legal remedies available.

Kirtland Products CEO Leon Tupper said they are aware of the complaints and problems and have communicated apologies in person. They have been working with equipment manufacturers and are trying to mitigate the issues. Since December 17, 2011 they have been working with internal engineers and detailed actions have been undertaken. Several fixes have been taking place to fix the squeaky screws, operations have been reduced to one shift with six people being laid off; the rotary valve has been repaired, housing has been installed around external blowers. Mufflers have been ordered and received for the pallet mill stacks and are expected to be installed by January 23 and hopes are for positive reactions by citizens. It is actually vapor being released as the wood is dried, not smoke. They may not be an answer on how to solve the odor because it is a wood processing operations and the wood smell is a normal aspect of that operation.

Citizens Comments:

Diane Hausler said the noise is a huge deal. She knows they work hard but the noise has got to go. It can be heard over the TV and it is too close

to the schools.

Julie Howard, 29 Crozier Road, said she knows the blood, sweat, tears and expense that has been made. What is unsettling to her is that citizens do not remember that Boyne City was founded on the lumber industry. Noise ordinance would need to address drag races, Boyne Thunder, Boyne Mountain. She added that she hears noise from the City. Ms. Howard also stated they have worked hard, nothing can take them from this community. Also, the industrial park has been there since 1985. Her kids do not hear the noise in the schools. People need more compassion and patience.

Ray Adams, 112 Morgan said he doesn't get the smell. He is one of the employees that got laid off.

Carol Adams said she works at the school part time and can't hear it in the schools. Kirtland is working on this.

Clarence Stark said he has been a resident of Boyne City for 17 years. He got laid off from Kirtland too. He can't smell the odor, but hears a dull hum. He added that he also hears noise from the County Road Commission building when it snows and the trucks are out at 4 am.

Brian Wilmot said he lives in Boyne City but works for Wilmot Electric out of Charlevoix. He stated he is here supporting the Kirtland staff. Kirtland has brought jobs to the community along with working with local contractors and they are doing a good job. Let them work their problems out.

Dick Mellon, said he lives outside of the city and the sound carries his way. The past week he has noticed major improvements and is semi satisfied. If we all hang tight, the problem can be solved. It affects people who are here and he wants to see people get their jobs back.

Shari Joles, a resident who also works at a local business stated the Planning Commission missed their mark on this. They didn't think about esthetics. This has not enhanced quality of life. A 63' smokestack doesn't portray a positive image. She is trying to sell her house, there is a view of the smokestack. We need jobs in the community and it needs to be balanced. One focus and vision.

Mike Lange, who works for Kirtland said quality of life is relative dependent on perspective. They have worked hard with those who helped in this community. Quality of life is comfortable when you have a job but when you have no job it is not good. We do have an industrial park. Some of those businesses do have vapor plumes. With wood pellets, 75% of dollars spent stay in the community. 90% of fossil fuels go other places than the community. Of the retail value of \$7,000,000 of home heating pellet dollars, \$5,250,000 will stay in Boyne City. The benefits are far beyond the 15 jobs created. He is proud of the work done and his co-workers. This is his home and he is proud of his community.

John McCahan, city resident said he doesn't hear the wood pellet plant. Noise is an important part of quality of life. Boyne City's noise ordinance is only two paragraphs long. He said the City doesn't want a noise egrading the noise

ordinance and it has already lost a case in 2009. The current ordinance that is vague and overbroad. The City has had a chance for the last 27 months to put together a noise ordinance. For some reason, this town doesn't want to put one together. It is very disappointing. About a year ago he found the Traverse City noise ordinance and presented copies to the City Commission.

Mark Dole, resident, said he can hear the noise and can live with it. He said it is the police who deal with the noise laws and he got a ticket for loud music.

Lori Kelts said the reality is that factories are a big part of this town. They are the backbone of this town. She takes offense about the smokestack affecting the house for sale because the housing market has been depressed since 2007.

Kim Rotermund thanked the CEO of Kirtland for being here. No one is against the jobs, just the nature of the beast. Paper mills have a smell. This is not a good fit for the community. Was there any study done on this. Cannot get rid of the odor.

Don Nessen said he has worked all his life for a nice quiet retirement home. He can hear the humming. All he wants is the noise gone and to be retired at a nice peaceful place. He wants the jobs and when he is at his home to have peace.

Vickie Riley, works for Kirtland stated there are never going to not hear something. She hears Great Lakes Energy, Lexamar and cars going down the road. The complaints are unrealistic. When they went house to house, she was part of the study. The traffic dulled the sound of the plant. A lot of people are dwelling on what doesn't exist.

Kitty Nessen said she understands there will be some noise. She added she does have hope and prays for the jobs and puts confidence in Kirtland. This is important. Don Nessen added this noise is 24 hours a day.

Ray Adams said he lived here when the tannery was here and as long as the lake is behind us, tourists will come.

Jim Baumann said this is a good way to hear from everyone. Kirtland and the City are doing the right thing. It is a factory, but owners are local. All are acting appropriately.

Tom Monley from Kirtland said he lives in Petoskey. We need to better understand what the odors are and need to identify where they are coming from.

Dennis LaPeer asked if there is an attainable decibel level in the ordinance and Scott McPherson responded there are no specific levels in the ordinance.

Mark Kowalski said that the previous evening, neighbors were invited to the plant. He appreciated it and had a nice visit. He has received a lot of calls on what is going on. There are issues, Kirtland knows about it and the

issues are being addressed. There are people interested in the old Carter's building that is for sale.

Lisa, a resident of North M75 inquired if there are chemicals involved in the drying process. Mike Lange said the DEQ puts controls in place, there are DEQ permits. The only material in this process is wood. That is it. This facility uses wood only.

Board Deliberation: Commissioner Neidhamer said he appreciates all the comments and can clearly see both sides. We need patience, solutions and timelines. Other options include a court injunction or a citation and he doesn't think those are solutions.

Mayor Pro-Tem Towne thanked Kirtland for the jobs created. He believes they are sincere in their efforts. He has heard the noise and hopes the issues can be corrected, but don't lose sight of the job creation and retention.

Commissioner Gaylord thanked everyone for being here. The ideal outcome is City and neighbors have a quality of life. He added that he concurs with Commissioner Neidhamer that a timelines of expectations is needed and if not met, decide on the next step. Without a decibel limit, how do we come to a conclusion? At that point what are our options? Scott McPherson said we reassess to see if it is objectionable.

City Manager Cain said we should review Kirtland's updated timeline in the next 30 days or so with a tight leash. He just heard about the stack mufflers today. We need to keep up the timely manner Kirtland has been using. He believes Kirtland is seriously working on this and added that he has also been at the houses and neighborhoods and understands. We are in uncharted territory. He has seen this whole process and a lot of these issues took us by surprise. They need to get it down to an acceptable noise.

Commissioner Gaylord said the final resolution needs to be a happy balance. He doesn't want to drive away business.

Commissioner Sansom thanked everyone for their input and perspectives. Kirtland personnel visited 10 to 15 plants around the country. Were there any noise issues. Tom Monley said most had the drying and grinding outside. They have designed equipment to be inside to mitigate the noise and spent money on environmental issues. The other plants were noisy which is why Kirtland moved this equipment inside. He agrees the noise is objectionable, it couldn't be heard in the plant. The muffler system for the stack is being produced right now. Commissioner Sansom also inquired about leftover residues and was informed that the residue is used to fuel the burner that dries the wood. There is no waste. Commissioner Sansom said the plume of steam surprised her and Mike Lange said it is water vapor, not steam.

Commissioner Sansom suggested to the board that when a new business wants to locate here, comparable businesses need to be visited. Mayor Pro-tem Towne added we need an open meeting for everyone to attend.

Commissioner Neidhamer said he supports and is in favor of City Manager Cain's assessment.

Mayor Grunch also thanked everyone for attending. We will do our very best to get this resolved to the community's satisfaction. Tonight has been very positive and we appreciate the concerns. He would like to have another public hearing similar to this one. We need to be flexible with the timeline. Commissioner Gaylord said he thinks a February meeting would be more appropriate. This needs to keep moving forward.

The board recessed at 8:45 pm and reconvened at 8:52 pm.

City Manager Cain reported that at the last Commission meeting it was requested that staff look into the issue of snowmobile access in the City. Several pieces of information were presented along with a modified MDNR snowmobile trail map showing that the closest designated trail to Boyne City is about seven miles away in East Jordan with the next closest, nine miles away in Boyne Falls. A Michigan Snowmobile Regulations pamphlet outlining where snowmobiles may operate which is generally on the unplowed right of way was included. While it appears that snowmobiles may be technically allowed in such areas adjacent to M75, its narrow right of way in many cases makes such uses impractical. The City's existing snowmobile map and regulations along with a draft revised City snowmobile map and regulation sheet were also presented.

Snowmobile Access Update

After looking into the matter and checking with some other organizations, it appears that Boyne City itself is pretty welcoming but without any designated routes to get here or ways to get someplace else, our attractiveness to snowmobiles is and will remain limited. In discussions with the Charlevoix County Road Commission, our county roads are open to snowmobiles as well as are State highways. There is nothing the City Manager is aware of that would prohibit a snowmobiler from coming into town and visiting one of our businesses. He added that at this point, he thinks we should work to make it known that we are open to all responsible groups and individuals including snowmobilers. There seems to be a perception and maybe a past history that we are not snowmobile friendly that needs to be overcome. Our map as provided might be one small first step. We can then get it out there and open dialogs with snowmobiles on how to encourage them to visit and do business in our community.

Staff Comments: None

Citizens Comments: Nick Leibolt said he has dealt with snowmobiles and safety issues at his residence. Bill Kuhn said he is totally against snowmobiles. A serious snowmobiler would not drive here. Dick Mellon said he would like to see trails around and a practical way to stay off the roads. The biggest snowmobile problem is the noise and he would like to be on a committee if there ever was one.

John McCahan said having snowmobile business in town would be a good thing. We need a long range solution, work with the DNR and apply for funding. He added he would be willing to work on a motorized trail committee with local snowmobilers and would like to see a slight modification of the banned roads.

Joyce Johnston said the Episcopal Church has property behind their church and snowmobilers could use it.

Dick Mellon said serious snowmobiles have carbide studs that are good on ice but tear up roads. The DNR has provided concrete crossing places

Board Deliberation. Commissioner Neidhamer said there are too many problems and too many answers. Long term, we need a trail in and a trail out. It is a long term and agenda with short term PR.

Commissioner Sansom said she is not an avid snowmobiler, but says ok to looking for the best route to get here and would like to establish a recommended route.

Commissioner Gaylord said he is an avid snowmobiler. Locals know how to get in and out of town, but visitors do not. Long term there has to be DNR involvement and would never use the M75 route. He has heard of the appearance that Boyne City is not friendly to snowmobilers. In the interim, we advertise as much as possible with the ultimate goal being business revenue.

Mayor Pro-Tem Town said he has always been for snowmobiles coming into Boyne City and agrees we should advertise that Boyne City is snowmobile friendly.

Consideration to approve funding Health Saving's Accounts for non-union employees participating in the City's Priority Health HAS plan for 2012 at the \$1,750 and \$3,500 levels as presented.

Health Insurance Discussions

City Manager Cain discussed the cost of health insurance and the non-union staff that are covered under the Priority Health HSA program. The cost of health insurance continues to greatly outpace the rate of inflation and new revenues to the City. We are currently in our annual renewal period. Priority Health costs increased by 25%. Those increases were split staff and the City. At this time the City Manager is recommending that the Commission approve funding the H S A accounts with the levels as presented.

Staff Comments: None

Citizens Comments: None

Board Deliberation: All are in agreement.

2012-01-003

Moved by Towne

Second by Gaylord

MOTION

To approve funding Health Saving's Accounts for non-union employees participating in the City's Priority Health HAS plan for 2012 at the \$1,750 and \$3,500 levels as presented

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Consideration to support and endorse the 2012 Boyne Thunder Event to be

held July 11 thru 15, 2012; support the application to the Liquor Control Commission for a special license for the sale of beer, wine and spirits on the premises; and authorize City staff to work with the Boyne Thunder committee on needs and issues that may arise as event plans move forward

Boyne Thunder

Main Street Program Manager Hugh Conklin presented the annual request for support and endorsement of the 2012 Boyne Thunder Event outlining the events planned along with committee member's involved. This is the ninth year, with the only possible change being the course the boats take and possibly a different dinner.

Staff Comments: City Manager Cain said this is a great community event. There are few issues and it is well run.

Citizens Comments: None

Board Deliberation: Commissioner Sansom said she fully supports it and it is a great event. Commissioner Gaylord asked if there has been a liquor license every year and would informed yes. He also inquired if City Staff would do the same as in the past and was also informed yes. Commissioner Gaylord added that this is win-win. Mayor Pro-Tem Towne said the Boyne Thunder Committee does a great job.

2012-01-004

Moved by Sansom
Second by Towne

To support and endorse the 2012 Boyne Thunder Event to be held July 11 thru 15, 2012; support the application to the Liquor Control Commission for a special license for the sale of beer, wine and spirits on the premises; and authorize City staff to work with the Boyne Thunder committee on needs and issues that may arise as event plans move forward

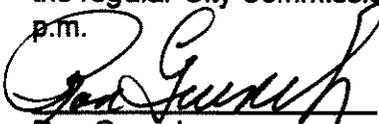
MOTION

Ayes: 5
Nays: 0
Absent: 0
Motion carried

None

Moved by Mayor Grunch, seconded by Commissioner Sansom to adjourn the regular City Commission meeting of Tuesday, January 10, 2012 at 9:43 p.m.

GOOD OF THE ORDER



Ron Grunch
Mayor



Cindy Grice
Clerk/Treasurer

**ADJOURNMENT
MOTION**