

**JUNE 12, 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 JUNE 12, 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, Dan Meads, Barb Brooks, Craig Remsberg, Dennis Amesbury, Hugh Conklin, Michael Cain and Cindy Grice

Others: There were 22 citizens in attendance, including representatives from the Petoskey News Review and Charlevoix County News

**CONSENT AGENDA
MOTION**

2012-06-077

Moved by Towne
Second by Gaylord

2012-06-077A

Approval of the May 22, 2012 regular City Commission meeting minutes as presented

2012-06-077

Approval of lot reconfiguration for Irene Brannon to reconfigure parcels at 604 Earl Street by dividing parcel 051-369-364-00 in half and conveying "west half to parcel 051-369-348-00 and combining the east half with parcel 051-369-349-00

2012-06-077C

Approval to appoint Heath Meeder to the Parks and Recreation Board to fill a vacancy left by Paul Nicholls for a term expiring on 12/31/2014

Ayes: 5
Nays: 0
Absent: 0
Motion carried

CITIZENS COMMENTS

Ron Crozier from the Boyne City Veteran's Memorial Committee thanked Craig Remsberg and the Police Department staff and the DPW staff as well for their assistance during the Memorial Day service.

CORRESPONDENCE

None

CITY MANAGERS REPORT

City Manager Cain reported:

- Three new businesses have opened in town, the Brook, Boyne Parasail and the Thirsty Goat.
- The Boyne City Provisions will be having a ribbon cutting ceremony on Friday to celebrate their renovations and new look.
- The 2011 Drinking Water Quality Report is now available on the City's website and at City Hall.
- Stroll the Streets starts this Friday.
- Police Chief interviews will take place on Friday, June 22

Draft Minutes of the April 26, 2012 Airport Advisory Board meeting, the May 3, 2012 Main Street Meeting, the May 3, 2012 Parks and Recreation Commission Meeting, the May 14, 2012 Economic Development Corporation Meeting, the May 14, 2012 Local Development Authority Finance Authority meeting, the May 21, 2012 Planning Commission Meeting, the May 24, 2012 Airport Advisory Board Meeting and the May 22, 2012 Historical District Board Meeting were received and filed.

REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES

City Planning Director Scott McPherson stated that RSG continues to work on the noise assessment for Kirtland. The study is about 75% complete with the data. A 3D sound model will be developed this week.

Kirtland Update

Staff Comments: None

Citizens Comments: None

Board Deliberation: Commissioner Sansom inquired what the operational schedule will be in the future and Tom Monley of Kirtland said not sure at this point. Commissioner Gaylord inquired what the State deadline for the stack testing was and was informed, the original deadline was in April.

Consideration to authorize seeking of bids for the South Park Street Reconstruction Project as revised, with the exception of changing the first four parking spaces on the west side of Park Street south of Water Street to six angle parking spaces.

South Park Street Reconstruction Project

City Manager Cain discussed the revised plan presented for further review and consideration. The changes were made since the Commission's May 22nd meeting. The revised plan would add two additional parking spaces to the downtown area. Based on information and discussion regarding the angle versus parallel parking, it is recommended that the City Commission authorize the project to go forward for bidding if we hope to have any chance to complete it this year. It is anticipated that bids will be advertised for by the end of June.

Staff Comments: None

Citizens Comments: Ron Crozier said he has a work van and at the first parking spot in front of Ace Hardware, you cannot see a car coming if you are trying to back out. He added that he wishes the bump outs weren't there. Jim White, owner of Ace Hardware stated he would rather see the angle parking closer to his store.

Board Deliberation: Commissioner Neidhamer said a two parking space net gain is valuable so he agrees with the City Manager's recommendation. Mayor Grunch agreed. Commissioner Gaylord asked Officer Remsberg if there have been a lot of accidents in that area and was informed no major incidents. He also asked Larry Fox from C2AE which plan would be more beneficial and was informed either plan would work. Commissioner Sansom asked if it was necessary to have a right turn lane in that intersection? Mayor Grunch said he doesn't see a problem with angle parking on either side of the street adding that we need to keep this process going. Commissioner Gaylord asked City Manager Cain what his recommendation was, and was informed, the angle parking in front of Pat O'Brien's. Commissioner Gaylord also stated in his opinion, retaining the angle parking on the Ace Hardware side would be least restrictive and he

recommends that we move forward on the project based on factual information, with angle parking in front of the Co-op and Ace Hardware Mayor Pro-Tem Towne agrees we should move forward with this project.

MOTION

2012-06-078
 Moved by Towne
 Second by Gaylord

To authorize seeking of bids for the South Park Street Reconstruction Project as revised, with the exception of changing the first four parking spaces on the east side of Park Street south of Water Street to six angle parking spaces

Ayes: 3
 Nays: 2, Commissioner Neidhamer and Mayor Grunch
 Absent: 0
 Motion carried

MOTION

2012-06-079
 Moved by Grunch
 Second by Gaylord

To recess for five minutes at 8:10 p.m.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

MOTION

2012-06-080
 Moved by Grunch
 Second by Towne

To resume the meeting at 8:15 p.m.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

**One Water Street
 Conditional Rezoning
 Request**

Consideration of first reading of an amendment to allow conditional rezoning of a parcel located at 1 Water Street and to schedule a second reading for July 24, 2012

Planning Director Scott McPherson discussed the application for conditional rezoning and development plan review that has been submitted for One Water Street owned by Catt Land Investments, LLC. marina, retail, office and restaurant components of the project have been completed.

The parcel is 83,200 square feet and is a wedge shaped corner lot with 299 feet of frontage on Front Street and 383 feet of frontage at the end of Water Street. The parcel has approximately 200 feet of frontage on Lake Charlevoix. The parcel is located in the Waterfront Marina District and is adjacent to the Central Business District on the east, Community Service

District on the north and the Multifamily Residential District on the south. In 2009 a conditional use and development plan was approved for a mixed use development that included marina facilities, retail, restaurant and 37 unit hotel condominium that included 20 single room units and 17 units with full kitchens and dining rooms. Since the 2009 approval, the marina, retail, office and restaurant components of the project have been completed.

The proposed plan is to replace the approved 27 unit hotel and construct 13 detached resort cottage structures. The ground floor if the structures would primarily consist of motel units designed for short term transient occupancy and would have only a bedroom and bathroom. It is anticipated that three of the ground floor units will be used for commercial uses, however this could change based on market demand. One unit users. The second and third floors would contain 15 two bedroom units intended to be used as vacation rentals that could be used for short term or long term occupancy. The applicant is applying for approval of the uses as principal permitted uses in the CBD as per section 10.20(J) and 10.20(M).

A conditional rezoning is a zoning map amendment and is processed in accordance with the Michigan Zoning Enabling Act and the Boyne City Zoning Ordinance Section 2.4 Amendment procedures. It is a recommendation of approval the Planning Commission made with the stipulation that if the Conditional Rezoning is approved by the City Commission, the final site plan must be approved by the Planning Commission.

Glen Catt discussed the reasons why changes have been made from the original plan, primarily due to shared wall units no longer being allowed to be financed.

Staff Comments: Hugh Conklin said the plan was presented at the May Main Street board meeting who passed a motion to support the project and encouraged approval by the City Commission.

Citizens Comments: Mary Palmer of Café Sante and the Red Mesa said she is in full support and this project would be an asset to Boyne City.

Board Deliberation: Commissioner Neidhamer said he is in full support. Mayor Pro-Tem Towne said this is much better than the original plan. Commissioner Gaylord said he prefers this plan and is in full support. Commissioner Sansom inquired about construction time frame and was informed that would be dictated by the market, which will be strong. Mayor Grunch said he is impressed with the project and is in full support of it.

2012-06-081

Moved by Neidhamer

Second by Sansom

To approve of the first reading of an amendment to allow conditional rezoning of a parcel located at 1 Water Street and to schedule a second reading for July 24, 2012

Ayes: 5

Nays: 0

Absent: 0

MOTION

Motion carried

Cemetery Maintenance Contract

Consideration to terminate the contract with John's Snow and Lawn Maintenance effective June 10, 2012; to waive the 60 day termination notification of that contract and approve the proposed Cemetery Maintenance Contract with B & W Nature's Maintenance to complete the remainder of the 2012 Cemetery Maintenance for a cost of \$18,000 and authorize the City Manager and Clerk / Treasurer to execute the documents.

Clerk / Treasurer Grice stated that John Tousley Snow and Lawn has requested to terminate their three year contract early effective on June 10, 2012 and requested to waive the 60 day termination notification. Mr. Tousley has already been paid \$10,500 so far for this contract year. A termination agreement has been prepared that also stipulates no further payments along with waiving the 60 day termination stipulation. We still have over five months left for cemetery maintenance needs for 2012. The low bidder from 2009. B & W Nature's Maintenance was contacted and provided a quote of \$18,000 to complete the remainder of the year. We also received a quote from Joe Shear Services for \$16,000, however Mr. Shear was unable to start until July 1 and asked a waiver of the North Boyne permit fee.

Staff Comments: None

Citizens Comments: None

Board Deliberation: Commissioner Gaylord inquired about Mr. Tousley's issue with paying the North Boyne Dump Fee and Clerk / Treasurer Grice stated that Mr. Tousley operated a business that provided these services for others residents and businesses, some also not located in the City and it would be difficult to tell what debris was specifically from the cemetery. 13 contractors have already paid the North Boyne Fee. Ron Crozier stated that he has paid the fee and has two lawns in town that he does. All other Commissioners are in agreement with the proposed recommendation.

2012-06-082

Moved by Towne

Second by Neidhamer

MOTION

To approve to terminate the contract with John's Snow and Lawn Maintenance effective June 10, 2012; to waive the 60 day termination notification of that contract and approve the proposed Cemetery Maintenance Contract with B & W Nature's Maintenance to complete the remainder of the 2012 Cemetery Maintenance for a cost of \$18,000 and authorize the City Manager and Clerk / Treasurer to execute the documents.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Consideration to approve the transfer of ownership of 2011 Resort Class C licensed business issued under MCL 436-1531(3) with Specific Purpose Permit (Food) located at 5 W. Main Street, Unit 1, Boyne City, MI, 49712, Charlevoix County from Sammich N Sudz Corp. to Y & T Properties, LLC

Liquor License Transfer

City Manager Cain discussed the request for transfer of the currently escrowed liquor license. The license, due to the way it was issued years ago, can only be used at that complex and cannot be transferred to another location in or out of the City. The building is owned by Y & T Properties which is owned and operated by Gale Neff. Up to this point, the license has been held by each of the restaurant owners that have had businesses in that location. That has created issues in the past when it comes time to transfer it to a new party. Mr. Neff is seeking to streamline the process by tying the license to the building. The Boyne City Main Street Board is in full support of this request.

Citizens Comments: None

Staff Comments: None

Board Deliberation: All are in support of this request.

MOTION

2012-06-083

Moved by Sansom

Second by Towne

To approve the transfer of ownership of 2011 Resort Class C licensed business issued under MCL 436-1531(3) with Specific Purpose Permit (Food) located at 5 W. Main Street, Unit 1, Boyne City, MI, 49712, Charlevoix County from Sammich N Sudz Corp. to Y & T Properties, LLC.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Consideration to allow the placement of the Fallen Soldier's monument at one of the two proposed locations on the Veteran's Memorial Site.

Veteran's Memorial Monument

City Manager Cain discussed the request from the Veterans Memorial Committee place an additional monument for local fallen soldiers at the site. Ron Crozier presented the Parks and Recreation Advisory Board the proposal and stated this is a monument that will be dedicated to all fallen soldiers and a plaque / name plate would be placed on it for local soldiers. After the Parks and Rec board discussion, the general consensus was that the board thinks the proposed monument would be a nice addition. The Veterans Memorial Committee will be accepting donations to defer the \$6,000 cost and George Lasater has offered to match personal donations.

George Lasater spoke about the monument and images of the proposed monument and location at the memorial site were presented. Sheriff Lasater said he also spoke with the family of fallen soldier Jack Diener and they were in agreement with the monument as well.

Citizens Comments: None

Staff Comments: None

Board Deliberation: All are in full support of this request. Commissioner

Sansom inquired about the material used in the monument and was informed it would be bronze. Commissioner Gaylord said he likes the placement of the monument in the grassy area.

MOTION

2012-06-084
 Moved by Gaylord
 Second by Towne

To approve to allow the placement of the Fallen Soldier's monument on the Veteran's Memorial Site.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

2012-06-085
 Moved by Grunch
 Second by Gaylord

Brief Recess
MOTION

To recess the meeting for a brief break at 9:28 p.m.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

2012-06-086
 Moved by Grunch
 Second by Towne

Return to meeting
MOTION

To return to the meeting at 9:35 p.m.

Ayes: 5
 Nays: 0
 Absent: 0
 Motion carried

Consideration to approve the preliminary design of the Hannah Street Reconstruction project as presented with the flexibility to adjust the sidewalk location within the right of way based on obstacles, grades or other factors

Hannah Street
Reconstruction

Public Works Superintendent Andy Kovolski discussed the proposed plan for Hannah Street reconstruction project. Conceptual plans have been completed, informational meetings have been held for public input and review of the preliminary designs,

2012-06-087
 Moved by Neidhamer
 Second by Gaylord

MOTION

To approve the preliminary design of the Hannah Street Reconstruction project as presented with the flexibility to adjust the sidewalk location within the right of way based on obstacles, grades or other factors

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Consideration to review the Boyne City Zoning Ordinance Section 10.20(Q) regarding the allowance of alcohol service on sidewalks in the Central Business District and make a determination if changes to the existing policy should be explored

**Service of Alcohol on
City Sidewalks ordinance
discussion**

City Manager Cain discussed the request from Magnum Hospitality for the City to reconsider changing the existing ordinance to allow the serving of alcohol in outdoor eating areas which are located on the public sidewalk. Prior to this request, Mary Palmer of Magnum submitted an application to the City Planning Department for a permit to have an outdoor eating area with alcohol at Café Sante. Outdoor eating areas, without alcoholic beverages are allowed in the Central Business District as per the Boyne City Zoning Ordinance section 10.20(Q). A permit could not be issued to Café Sante because they requested to serve alcohol in a public area and because the property is located in the Waterfront Marina District and outdoor eating areas on the public sidewalk are only allowed in the Central Business District.

City staff has done some preliminary research on communities that do allow alcohol in the outdoor eating areas and found that there are several ways this can be regulated. The use can be regulated as a use under the zoning ordinance or it can be regulated by adopting a stand alone ordinance.

Staff Comments: Hugh Conklin stated that the Main Street board is in favor of this proposal.

Citizens Comments: Mary Palmer of Magnum Hospitality spoke regarding her request and the desire to have the City Commission revisit the City ordinance forbidding service of alcohol on City sidewalks.

Board Deliberation: Commissioner Sansom said she doesn't like the idea of serving alcohol on the sidewalks. Commissioner Gaylord asked Interim Police Chief Craig Remsberg for his input and Officer Remsberg stated that if the Commission decides to move forward, there should be a standard ordinance. City Manger Cain asked if this is something the Commission wants staff to work on. Commissioner Gaylord said he thinks we should pursue this. Mayor Pro-Tem Towne said he has already received calls from citizens that are against this. Commissioner Neidhamer said that outside dining is very prominent in downtown resort towns. He would also like to pursue this. We have the talents to regulate it and it is a short season. Commissioner Sansom said a lot of people don't want to expose their children to adults drinking alcohol. Mayor Grunch said Boyne City has become a restaurant destination and whatever we can do to enhance it and have full control over it. He added that he also thinks it should be further explored.

MOTION

2012-06-088

Moved by Neidhamer

Second by Gaylord

To review the Boyne City Zoning Ordinance Section 10.20(Q) regarding the allowance of alcohol service on sidewalks in the Central Business District approve to explore changes to the existing policy

Ayes: 4

Nays: 1, Mayor Pro-Tem Towne

Absent: 0

Motion carried

Facilities Discussion

City Manager Cain discussed the goal of improving the City Hall Complex that currently contains the City offices, Police Department, Fire Department and the Department of Public Works. Over time, the general consensus has been to consolidate our operations here on our existing site while adding some off season equipment storage facilities mainly for public works equipment at the existing North Boyne Yard site. Last fall we conducted soil borings around our site. The results of these samples confirm that it is possible to build or expand onsite, although some soil stabilization efforts may be necessary.

One million dollars has been set aside out of City reserves in the current year's budget to be used towards improvements on this site. To replace all of the facilities currently located on this site, was estimated to exceed five million dollars in 2007. Without going into debt or adding a new millage, we do not have the funds available to do all that some would like to see done. A phased approach reusing our existing facilities as much as possible is being proposed while moving forward. Based on discussions to this point, it makes most sense to look at an expansion that brings our ambulance / EMS operation back to this site and also reuses existing space in City Hall to better meet the current needs of our City office, Police Department and EMS / Ambulance staffs while positioning ourselves to better meet the needs of our Fire Department and DPW personnel.

City Manager Cain added that in order to do so, he is recommending that we go out for bids to retain professional services that can assist us in our concepts and options and developing realistic cost and payback analysis. He also suggested that we schedule a public hearing on this matter to take place at the same time the design service bids are presented to the City Commission. This would provide for timely public input with more specifics prior to any significant dollars being spent on this matter.

Citizens Comments: None

Staff Comments: None

Board Deliberation: Commissioner Neidhamer said he agrees with the recommendation to get professional help. We can't spend five million but we are ready to spend the one million we have set aside. It is time to see what the one million will get us. Mayor Pro-Tem Towne said we should move forward and it should be done in phases. We have the funds but it doesn't mean we need to spend it all at once. Commissioner Gaylord said we should consider looking at several different options. It would serve us well to have as much input as possible. # 1 is financially, #2 is that this is to ultimately serve the citizens of Boyne City. There are geniuses in more than one office. Mayor Grunch said to add points as a possible prize for the best design. Commissioner Samson said to look long term and then do it

well.

2012-06-089

Moved by Grunch
Second by Sansom

MOTION

To approve to authorize City staff to secure bids for city facility design services as outlined and coordinate a public hearing to be held on the matter of City Facilities at the time of the bids presentation to the City Commission estimated to be in 60 or 90 days.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Commissioner Sansom inquired about the new State of Michigan fireworks law. Interim Police Chief provided a brief update.

Good of the Order

2012-06-090

Moved by Grunch
Second by Towne

**Closed Session
MOTION**

To approve a request of the City Manager to go into closed session to consider the purchase of real property as provided in MCL 15.268 (d) of the Michigan Open Meetings Act (PA 267 of 1976) at 10:33 p.m.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

Return to Open Session

2012-06-091

Moved by Grunch
Second by Gaylord

To return to open session at 11:19 p.m.

Ayes: 5

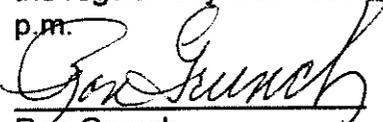
Nays: 0

Absent: 0

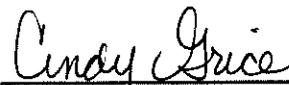
Motion carried

**ADJOURNMENT
MOTION**

Moved by Mayor Grunch, seconded by Mayor Pro-Tem Towne to adjourn the regular City Commission meeting of Tuesday, June 12, 2012 at 11:20 p.m.



Ron Grunch
Mayor



Cindy Grice
Clerk / Treasurer