

**MARCH 15, 2016  
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 MARCH 15, 2016

**CALL TO ORDER**

Mayor Neidhamer called the meeting to order at 7:00 p.m. followed by the Pledge of Allegiance.

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

Absent: None

Staff: Cindy Grice, Michael Cain, Patrick Kilkenny, Scott McPherson, Mark Fowler, John Lamont, Barb Brooks, Lori Meeder, Andy Kovolski and Kevin Spate

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

**CONSENT AGENDA  
MOTION**

2016-03-030

Moved by Conklin  
Second by Towne

2016-03-030A

Approval of the March 1, 2016 City Commission special meeting minutes as presented

2016-03-030B

Approval to support the 2016 Boyne Thunder event to be held July 7-10, 2016; 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

2016-03-030C

Approval of the request from the Boyne City Farmers Market to apply for a one-day liquor license from the Michigan Liquor Control Commission for its fundraising event on July 14, 2016 at Veterans Park

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**CITIZENS COMMENTS**

Glen Catt read a statement to the Commissioners requesting them to consider to allow sidewalk dining with alcohol service in the downtown stating most concerns can be addressed thru compromise.

Jim Baumann said he agrees. A survey was done late last fall and of 344 people who took the survey, 76% were supportive of alcohol service allowed on sidewalk dining. Of the 344 people, 140 were city residents and 74.6% were supportive. The Chamber Board has endorsed the concept again.

Beck Harris, a new business owner downtown said she and her husband support the concept and think it will enhance the community.

Ryan Moskal said as a resident and business owner, he supports the concept as well.

Kyle Marshall representing Magnum Hospitality said he wants this put forward.

Steve VanDam said he agrees with everyone and urges the City Commission to reconsider this.

Justin Gibbert of Red Mesa said he wants to reiterate they are a family restaurant and feels this would benefit the town.

Nate Jason, Café Sante, said he hopes this can be revisited. It will be part of a vibrant downtown.

Ben VanDam, a business owner in town voiced his support as well.

Matthew Britton said he doesn't see the downsides of the proposal outweighing any of the upsides.

Mike Doumanian of Boyne Mountain said that outside dining will add a lot to the downtown. There are very specific Liquor Control rules that will have to be followed by the businesses. He is also in favor to allow alcohol to be served in outside cafes.

Planning Director Scott McPherson discussed the process if the City Commission wishes to go back to the process of placing this item on a agenda. All Commissioners are in agreement to move forward in putting this item on a future agenda for discussion.

## **CORRESPONDENCE**

Correspondence from the State of Michigan Liquor Control Commission regarding Stiggs Brewing Company new Class C License was received and filed.

## **CITY MANAGERS REPORT**

City Manager Cain reported:

- A start up test of the Sommerset Pointe lift station was scheduled to take place today
- The major clean-up of the temporary offices at Honeywell has been completed.
- The pump station for the Sommerset Pointe sanitary sewer force main extension has been delivered and can now be installed. We anticipate that force main becoming active probably sometime around April.

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

Draft Minutes of the February 4, 2016 Parks & Recreation Board Meeting; Approved Minutes of the February 11, 2016 Main Street Meeting; draft Minutes of the February 15, 2016 Planning Commission Meeting; draft Minutes of the February 16, 2016 Historical Commission Meeting and draft Minutes of the February 18, 2016 Historic District Meeting were received and filed.

## **Building Heights Ordinance Amendment**

Consideration of second reading to review and approve of the Boyne City Zoning Ordinance to define Building Height as recommended by the Planning Commission.

Assistant Planning Director Patrick Kilkenny discussed the second reading being held today regarding the definition of "Building Height" as defined in the 2001 Boyne City Zoning Ordinance. The Zoning Board of Appeals determined the 2001 adoption of the Zoning ordinance failed to notice a change to the definition of "Building Height" from the 1998 Ordinance which subsequently led to confusion in how to determine the height of buildings. The proposed definition is as follows:

**Building Height:** The vertical distance measured from the *established grade prior to any excavation or construction*, to the highest point of the roof surface for flat roofs; to the *deck line of mansard roofs and to the mean height between eaves and ridge for gable, hip and gambrel roofs*. Where a building is located on sloping terrain, the height shall be measured from the lowest exposed point of a building to the highest point of the roof surface for flat roofs; to the *deck line of mansard roofs and to the mean height between eaves and ridge for gable, hip and gambrel roofs*.

For roofs which are not symmetrical the mean height between the eaves and ridge will apply to the highest *midpoint* of all roof surfaces. When more than one type of roof is present in a building design, each type shall be considered separately and no roof element shall exceed the height allowed for that particular roof type.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the proposed amendment.

**MOTION**

2016-03-031

Moved by Towne

Second by Sansom

To approve of the second reading to review and approve of the Boyne City Zoning Ordinance to define Building Height as recommended by the Planning Commission.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**City Facilities Construction Contract**

Consideration to award the bid for the construction of the new City Facilities project to Hallmark Construction of Traverse City for a revised amount of \$5,993,374 and authorize the City Manager and / or City Clerk / Treasurer to execute the required documents necessary to undertake the project.

City Manager Cain stated that on Friday, February 12<sup>th</sup> bids were opened at 1:00 p.m. in the City Hall Auditorium for the new City Facilities project. The facility has been designed to house the City's Police, Fire, and EMS departments, all City Hall functions, the Museum and the MSU Extension. The existing City Hall and Fire/Old DPW buildings will be demolished as part of this project.

Six bids were received by the deadline and are shown on the attached bid tabulation form. The low bidder was Hallmark Construction of Traverse City. This is the same firm that was the low bidder on the recently completed Department of Public Works facilities. We have been very pleased with the process and results obtained on that project.

The bids received were about \$800,000 higher than the engineers estimate. As a result the scope and makeup of the bid were reviewed and additional funding sources considered. Also attached is the Post Bid Analysis (PBA) and Value Engineering (VE) suggestions as reviewed and ultimately recommended by Environment Architects and City Administration. The PBA identifies all major items considered, their potential savings and whether they were ultimately recommended. Items showing a dollar value under the 'Value' column are being recommended as changes from the original bid while those in the 'Not Taken' column are not being recommended. The changes recommended equal a savings of \$253,626. Hallmark has been consulted throughout this process and has provided all the values for these changes.

The changes being proposed do not, in our opinion, affect the overall square footage, functionality or durability of the facility. In short, what we promised and presented to the public throughout this process is contained in the recommendation being presented to you today. The restoration of the historic City Clock, which was never part of this original project, is not included in this bid award and is being worked on separately as part of the City's overall budget approval process.

The additional revenues for this project are \$250,000 coming from the Local Street fund for the reconstruction of North Street associated with this project while the other \$350,000 is coming from the Fire Department's fund balance, which were being accumulated for such a use.

Hallmark has proposed a 425 day construction period. Given our need to relocate and have the asbestos removed from this facility we are proposing a Monday May 2<sup>nd</sup> date to turn our existing City Hall building over to them to begin demolition and construction work. That would result in a July 1, 2017 scheduled completion date.

On a related topic bids for bond sale to finance the construction of the new City Facilities project were received on Tuesday, March 9<sup>th</sup>. Seven bids were received and the low bidder was Stifel, Nicolaus and Co, Inc of Birmingham, Alabama with a true interest cost of 2.747131%. This was significantly lower than the estimated 4.5% rate that was used in preparing for the May 5<sup>th</sup> ballot issue that authorized the \$7,000,000 in financing for this project. As a result of the low interest costs we will be experiencing the actual millage necessary to support our new debt payments are estimated to be about 1.32 mills for this year and 2.18 for subsequent years. The actual millage rates in future years will depend on the City's overall taxable value in those years. These revised estimates, based on actual bid results, are about a half a mill less than the estimated 2.69 mills rate that was included on the May 5<sup>th</sup> ballot. They have already provided the City their \$140,000 good faith deposit as required in advance of the March 23<sup>rd</sup> completion of the rest of the transaction and the deposit of the balance of the money in the City's accounts.

Ray Kendra of Environment Architects discussed the 35 items of value engineering. Everything in the project was looked at extensively. The designs and visuals did not change.

Staff Comments: None

Board Discussion: Commissioner Sansom discussed the removal of the proposed glass display case doors and if there are funds left, she would like that item included back in the project. Mayor Neidhamer requested an explanation of the green roof and how that will work and was provided that information by Ray.

2016-03-032

Moved by Grunch

Second by Sansom

**MOTION**

To approve to award the bid for the construction of the new City Facilities project to Hallmark Construction of Traverse City for a revised amount of \$5,993,374 and authorize the City Manager and / or City Clerk / Treasurer to execute the required documents necessary to undertake the project.

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Museum Artifacts Moving Recommendation**

Consideration to contract with DNS Residential Service to pack the larger, fragile, museum artifacts and also contract with Blanes's Moving & Storage to pack the remaining larger and fragile shaped items and move all remaining artifacts to storage locations and authorize the City Manager to execute the documents

Historical Board Chair Michele Hewitt had presented a memo to the Commissioners regarding the moving costs for the Historical Museum. Bids were received and the lowest was from DNS Residential Service for the crating and boxing of uncrated items in the amount of \$1,793 and Blane's Moving and Storage in the amount of \$3,437 to box and move all remaining large and odd shaped items to a storage location.

Staff Comments: None

Citizens Comments: None

Board Discussion: All are in agreement with the recommendation. All Commissioners thanked Commissioner Sansom for all of her hard work in packing the artifacts to this point.

**MOTION**

2016-03-033

Moved by Grunch

Second by Sansom

To approve to contract with DNS Residential Service to pack the larger, fragile, museum artifacts and also contract with Blanes's Moving & Storage to pack the remaining larger and fragile shaped items and move all remaining artifacts to storage locations in the amount of \$5,230

and authorize the City Manager to execute the documents

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Michigan Natural  
Resources Trust Fund  
Grant Applications**

Consideration of City Commission approval and authorization to apply for the following grants by the April 1, 2016 deadline in the following priority order:

- 1) 475 North Lake Street Acquisition – Boyne City Open Space - Apply for up to 75% of appraised value to purchase the property for future public recreational open space, currently estimated as a grant request of \$1,500,000
- 2) Veteran's Park Pavilion Redevelopment - Apply for a \$300,000 development grant to remodel and expand the Veteran's Park Pavilion as a year round facility
- 3) Boyne City to Boyne Falls Non-motorized Trail Development – Phase I - Apply for a \$300,000 development grant to construct Phase I of the Boyne City to Boyne Falls non-motorized trail from the Boyne City Airport to the Boyne Falls Public Schools.

City Manager Cain discussed the grant opportunities. The current owners of the Boyne City Open Space have leased the property at 475 N Lake Street to the City for a period of two years with the intention of eventually selling the property to the City once funds have been secured for purchase. The Commission previously directed staff to research and apply for acquisition grant funding as opportunities became available. We are currently working on a Michigan Natural Resources Trust Fund grant application which allows for up to 75% of the property's value to be sourced through the State of Michigan. Two other grants are currently being worked on thru the same Trust Fund. The Community Pavilion and Boyne City to Boyne Falls trail will also be requesting the maximum allowable amount in grant funding (approximately \$300,000) for each project. Although funding for the development projects run through the same organization as the Open Space acquisition project, the funds are allocated through two separate sources within the MDNR. All projects are scored individually based on a number of categories, and ultimately funding is distributed based on the projects overall score. Because the City is submitting multiple applications, the projects will need to be ranked according to their priority as the City Commission sees fit. Parks & Rec have met and discussed the three projects and expressed general support for all three applications. Staff recommends in order of importance 1) Boyne City Open Space Acquisition 2) Boyne City Community Pavilion and 3) Boyne City to Boyne Falls Trail.

Citizens Comments: Lucas from Northwest Design agreed with the multiple applications. The Trust Fund has a very structured point system and will provide more points towards the first priority. Becky Harris said the pavilion has been a grass roots project with the Farmer's Market. She feels the City should be committed to this project being finalized.

Staff Comments: All Commissioners support the staff recommendation and the order of importance as well.

Board Discussion: All Commissioners are in favor of the grant applications and resolutions as proposed

**475 North Lake Street  
Acquisition**

**MOTION**

2016-03-034  
Moved by Conklin  
Second by Sansom

To approve to apply for a grant to Michigan Department of Natural Resources Trust Fund for the 475 North Lake Street Acquisition – Boyne City Open Space - for up to 75% of estimated value to purchase the property for future public recreational open space, currently estimated as a grant request of \$1,500,000 and adopt the resolution of support as presented

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**Veterans Park Pavilion**

**MOTION**

2016-03-035  
Moved by Towne  
Second by Conklin

To approve to apply for a grant to Michigan Department of Natural Resources Trust Fund for the Veterans Park Pavilion – for a \$300,000 grant to remodel and expand the Veteran's Park Pavilion as a year-round facility and adopt the resolution of support as presented.

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**Boyne City to Boyne Falls  
Non Motorized Trail  
Development Grant**

**MOTION**

2016-03-036  
Moved by Grunch  
Second by Conklin

To approve to apply for a grant to Michigan Department of Natural Resources Trust Fund for a \$300,000 grant to construct Phase I of the Boyne City to Boyne Falls non-motorized trail from the Boyne City Airport to the Boyne Falls Public Schools and adopt the resolution of support as presented.

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**2016 SOBO Arts Festival**

Consideration of a request for a resolution of support for the 2016 SOBO Arts Festival event to be held June 24 and 25, 2016 and authorize City staff to work with the committee on needs and issues that may arise as event plans move forward

Main Street Executive Director Lori Meeder discussed the request to approve a resolution of support for the 2016 SOBO Arts Festival event to

be held June 24 and 25, 2016. The event will include a reception and celebration of the first full year of our Walkabout Sculpture Tour, recognizing the artists and pieces that were on display for the year and announce the winner of the People's Choice Award. We will also recognize the new artists and celebrate the installation of the new pieces that will be on display for the coming year. On Saturday, a variety of activities, including music dance and drama performances, life performing art vignettes, live statues, plein air competitions, sidewalk chalk art competitions among other demonstrations will take place.

Staff Comments: None

Citizens Comments: None

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

**MOTION**

2016-03-037

Moved by Sansom

Second by Towne

To approve of a request for a resolution of support for the 2016 SOBO Arts Festival event to be held June 24 and 25, 2016 and authorize City staff to work with the committee on needs and issues that may arise as event plans move forward including two food trucks in parking spaces

Ayes: 5

Nays: 0

Absent: 0

Motion carried

**Airport Model Aircraft /  
UAS on Airport Property  
Guidelines**

Consideration to adopt the Airport Model Aircraft / UAS on Airport Property Guidelines as presented.

City Manager Cain discussed the request that the City Commission consider adopting Guidelines for Operation of Model Aircraft / Unmanned Aircraft systems on airport property. Over the past few years, we have seen a steady increase in the use of Drones as well as traditional radio controlled model aircraft. The FAA has recognized the need for safe operation of unmanned aircraft and has set forth guidelines for their use. Due to increased request for use of the Boyne City Airport for this activity, the Airport Advisory board has considered that developing these guidelines for the airport will help secure safe and responsible operation of unmanned aircraft while being conducted on the property.

Richard Bouters of the Airport Advisory Board discussed the guidelines with the Commissioners.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation

**MOTION**

2016-03-38  
Moved by Sansom  
Second by Towne

To approve to adopt the Airport Model Aircraft / UAS on Airport Property Guidelines as presented

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**Valve Asset Management and Exercising**

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Consideration to approve to contract with Wachs Water to perform valve exercising and management in the amount of \$15,140 and authorize the City Manager to execute the documents

Water / WW Superintendent Mark Fowler discussed the proposed contract to complete the valve exercising and management plan that started last fall. This has provided us with valuable information including GPS data that Scott McPherson entered into our mapping system. This data would be what we needed to implement our own valve exercising program since the valves in the system have not been exercised on any type of schedule.

Staff Comments: None

Citizens Comments: None

Board Discussion: All Commissioners are in agreement with the recommendation

2016-03-39  
Moved by Sansom  
Second by Towne

**MOTION**

To approve to contract with Wachs Water to perform valve exercising and management in the amount of \$15,140 and authorize the City Manager to execute the documents

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**FYE 2017 Budget Presentation**

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City Manager Cain presented the FYE 2017 Proposed Budget. The budget work session will be held on Tuesday, March 22, 2016 beginning at 8:00 a.m.

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None

**GOOD OF THE ORDER**

**Closed Session**

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2016-03-39  
Moved by Neidhamer  
Second by Conklin

To approve the request of the City Manager to go into closed session to consider strategy connected with the negotiation of a collective bargaining

agreement as provided in MCL 15.268 (c) of the Michigan Open Meetings Act (PA 267 of 1976) at 9:25 p.m.

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**Return to Open Session**

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2016-03-40  
Moved by Neidhamer  
Second by Conklin

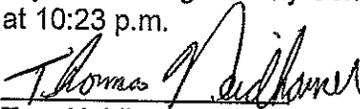
To return to open session at 10:22 p.m.

Ayes: 5  
Nays: 0  
Absent: 0  
Motion carried

**ADJOURNMENT**  
**MOTION**

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Motion by Mayor Neidhamer seconded by Commissioner Conklin to adjourn the regular City Commission meeting of Tuesday, March 15, 2016 at 10:23 p.m.

  
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Tom Neidhamer  
Mayor

  
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Cindy Grice  
Clerk / Treasurer