

CITY OF GRAYLING
CITY COUNCIL
REGULAR MEETING MINUTES
Monday August 14, 2017

I. Meeting called to order by Mayor Schreiner at 6:30 P.M.

II. Roll Call

Members Present: Karl Schreiner, Kate DeVries-McIsaac, Mark Allen, Karl DeVries and Roger Moshier

Members Absent: None

Vacant Seats: None

Also in Attendance: Doug Baum, City Manager, Lisa Johnson, City Clerk, Erich Podjaske, Zoning Administrator, Russ Strohpaal, Fire Chief/DPW Director, Kyle Bond, DPW, Rae Gosling, Mainstreet Manager, Paul Olson, Tim Rombach, Bill Wiegand, Doug Paulus and Connie Monson.

III. Public Comment

Rae Gosling gave a Mainstreet update.

Doug Paulus gave a Market update.

IV. Approval of Agenda

17-081

Moved by Allen seconded by Moshier to approve the agenda as presented.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

V. Approval of Consent Agenda

17-082

Moved by DeVries-McIsaac seconded by DeVries to approve the consent agenda as presented.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

VI. City Manager Report

City Manager Baum asked Kyle Bond to speak and give a water update to Council. Kyle Bond updated Council members on the current water testing and findings.

VII. Unfinished Business

None

VIII. New Business

A. City Insurance

Paul Olson with Municipal Underwriters and Connie Monson with Michigan Municipal League each gave a quick overview of the policies they were proposing for the City. Council Members each asked questions on the policies they each were proposing.

17-083

Moved by Allen seconded by Moshier to approve the quote as presented from Michigan Underwriters in the amount of \$42,896.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

B. Cemetery Fees

City Clerk/Treasurer Johnson explained only one item was being changed and that was to simplify the fee for foundations.

17-084

Moved by DeVries seconded by Moshier to approve the Cemetery fee schedule as presented.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

C. Land Division

Zoning Officer Podjaske explained and noted it meets zoning requirements.

17-085

Moved by Moshier seconded by DeVries to approve the Land Division request from Randy Thompson regarding parcel number 20-070-007-009-002-00 as requested.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

D. Possible Tax Tribunal Reimbursement

City Manager Baum explained that it was in regards to parcels 070-990-014-006-00 (ppt) and 070-008-010-043-00 and litigation regarding an appeal, being Michigan Tax Tribunal Docket #14-003516. The City's liability if approved could be approx. \$28,000 to be reimbursed. He asked Council members if they had any issues with setting this amount aside in case the City had to reimburse the funds.

Council Members agreed to set the funds aside until the final decision was made at Tax Tribunal.

E. Commission on Aging project

City Manager Baum explained.

17-086

Moved by Moshier seconded by Allen to support the Council on Aging project.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

F. Procurement Policy-Ice Grant

Zoning Officer Podjaske explained this needed to be approved as it was one of the required policy's for the Ice Grant.

17-087

Moved by Allen seconded by DeVries to approve the Procurement Policy as presented.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

G. Sale of Industrial Property- Lots 31-36 & 40-44

Zoning Officer Podjaske and Robert Slak explained.

Council Members asked questions and had discussion on the sale and stipulations.

17-088

Moved by Allan seconded by DeVries to sell lots 31-36 & lots 40-44 for \$1,250 per lot with the stipulations that he obtains the purchase of lots 37-39 from its current owners within 60 days and if so, starts construction within 12 months.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant 0, Motion Carried

H. M-72 Property purchase

Doug Paulus and Zoning Officer Podjaske explained the need for the purchase of the property. It would help with parking issues that the Market is concerned with and also would be a location for a Community Rec Center, if that project moves forward. He also mentioned the parcel with the railroad spur is also being looked at. The Governor is also pushing the use of passenger trains and Grayling could be a destination spot for the train as well.

Mayor Schreiner asked if the Governor is for the Market project, how much is he willing to put towards it.

Doug Paulus said he firmly believes that this 6.5 million dollar project will be fully funded and that they have already committed 20%.

Member Allen asked if that was for the Market project or the Market and Community Rec Center Project.

Doug Paulus said for the Market.

Zoning Officer Podjaske mentioned the Community Rec Center, the Co. Commissioners will make the final discussion, they are doing a feasibility study currently.

Mayor Schreiner mentioned he sees the original offer of \$80K and sees a counter of \$95K so is that what is being asked for? Do we have \$95K that we can afford without hurting our self somewhere else?

Zoning Officer Podjaske said yes, the Income Tax Fund. He also explained the Community Rec Center and the rent income that would come with that project.

Mayor Schreiner asked what was in that fund.

Zoning Officer Podjaske mentioned over 500K

Mayor asked for any more comments/questions

Member Allen asked if this information was for information only or if Council action was needed.

City Manager Baum said he is looking for approval to purchase the property.

Zoning Officer Podjaske mentioned even if we didn't use the property for a Community Rec Center, it would be under the City's control on what goes there if sold.

Member DeVries asked what is the size of the property

Zoning Officer Podjaske said it was 6.2 acres

Member Allen asked if the seller would split the difference between 80 and 95K

Zoning Officer Podjaske mentioned he was pretty much set on 95K for the property. The current owner has over 400K into the property and the clean-up of it.

Member Allen mentioned that Council is already committed to the Market project and if not, ample parking he doesn't want the project to fail. He feels Council has to give the project the opportunity to succeed, not fail. He said you have to spend money to get money and Council made the commitment to the Market project and needs to continue to support the project so it won't fail.

17-089

Moved by Allen seconded by Schreiner to purchase the M-72 property for 95K

Mayor Schreiner asked for discussion

Member DeVries-McIsaac said I'm not in

Member DeVries mentioned that we have spent an awful lot of money on the Market and agrees with Member Allen to a point that Council has committed, but has heart burn spending another 95K with the way the taxes have been going and taking more funds and afraid it might put us in the hole if not careful.

Member Allen agrees but the issue is we already made the commitment and your hope is, in the future you get a return back on that. And there is always a risk and is never a for sure thing.

Mayor Schreiner mentioned if the sale of the Industrial Property goes through for \$13,500 subtract that from the \$95K you get \$81,500 that is needed and the Industrial property goes back on the tax roll for taxing and if they add employees then Income Tax goes up as well.

City Manager Baum mentioned the Market Building would not come off the tax roll, since it would house businesses. It would remain on the tax roll and Income Tax would also increase do to employees.

Member Moshier questioned the purchase agreement

Mayor Schreiner explained the offer was for 80K and the counter offer was for 95K

City Manager Baum also mentioned it was contingent on Council approval

Member Allen mentioned his assumption was that if the City purchased the property and if a Community Rec Center wasn't built on the property, the City could still sell a portion of the property not used for a driveway/parking for the Market.

City Manager Baum said yes and the City would have control over what could be built there.

Mayor Schreiner asked for any other comments or questions

Zoning Officer Podjaske mentioned that when the property first came up, the Community Rec Center was his first thoughts for the property. We need a Community Rec Center, it would create a sense of place. It's one of the few pieces of land to place a Community Rec Center in the City and being right next to the Market makes sense.

City Manager Baum asked Zoning Officer Podjaske if the Planning Commission survey showed a need for a Community Rec Center.

Zoning Officer Podjaske said yes, it has been addressed at every public meeting.

Mayor Schreiner asked if there was anything else, and if not, we should have a roll call vote.

Member DeVries-McIsaac mentioned if it was going for a Rec Center and I knew it was going to a Rec Center I'd say yes. I vote yes cause I want a Rec Center too.

Zoning Officer Podjaske mentioned if we purchase this parcel, he would move towards the 2.5 acres next to it. They are selling it for 800/900K but that comes with a 10-year lease at \$10K a month. So, it comes with an income coming in on the property.

City Clerk/Treasurer Johnson mentioned the Community Rec Center is pending the Co. Commissioners.

Member DeVries-McIsaac mentioned I don't want to keep pulling stuff from downtown.

Everything's all about the Market, which is not downtown and we're not putting anything into downtown. The only people putting things into downtown is us, people who are downtown.

City Clerk/Treasurer mentioned the City has put 200K into downtown.

Member DeVries-McIsaac mentioned right now everything is getting pulled away from downtown as far as I'm concerned.

Zoning Officer Podjaske mentioned he disagreed.

Member DeVries-McIsaac mentioned I live, work & breathe downtown. The moment you start pushing yourself out of downtown, I don't care what anyone says it not good for me. Period So I vote No.

Zoning Officer Podjaske said I'm opening a business right next to you and I'm not concerned.

Member DeVries-McIsaac said its not your business getting directly impacted, its mine.

Mayor Schreiner said I understand that but we need a roll call vote.

Ayes: Allen, Schreiner, Nays: DeVries-McIsaac, Moshier, DeVries, Abstain: 0, Absent: 0, Vacant 0, Motion Failed

Mayor Schreiner noted vote is going down 2 to 3 and this item can come back at any time at this point Council voted no.

I. Public Safety

City Manager Baum explained the new Public Safety union has created a lot of issues, problems and friction between the Fire and Police and has concerns having a divided department and doesn't see this improving. He has turned the contract negotiations over to the labor attorney and city attorney and it has come up on dividing the two departments but may be

more difficult than combining them. He also mentioned if things don't improve the military contract may not be extended.

X Reports

Member Allen mentioned Planning is working on a rental ordinance and a food truck ordinance.

Mayor Schreiner mentioned the numbers on the PD report don't work out, may want to look into that.

XI Public Comment

None

XII Council Member Comments

City Manager Baum updated members on items the City Attorney was working

A. Correspondence

None

B. Adjournment

17-090

Moved by DeVries seconded by Allen that the meeting be adjourned.

Ayes: 5, Nays: 0, Abstain: 0, Absent: 0, Vacant: 0 Motion Carried

Mayor Schreiner adjourned the meeting at 8:21 pm.

Lisa K Johnson,
City Clerk/Treasurer

Approved Minutes can be found on our website: www.cityofgrayling.org