

**CITY OF GRAYLING
CITY COUNCIL
REGULAR MEETING MINUTES
Monday, May 23, 2022**

I. Meeting called to order by Mayor Forbes at 6:30 pm

II. Pledge of Allegiance

III. Roll Call

Members Present: Forbes, Schreiner, Moshier, Sloan, Pettyjohn

Members Absent: None

Vacant Seats: None

Also, in Attendance: Doug Baum, City Manager, Chelsea Goodwin, City Clerk/Treasurer, Erich Podjaske, Zoning Administrator, Aaron Wendzel.

IV. Public Comment

None.

V. Approval of Agenda

22-037

Moved by Schreiner seconded by Pettyjohn to approve the agenda with the additions under Unfinished Business #B – Warehouse Property and #C Amendment to Multi-Use Permit Downtown Clean-Up Street Closure.

Roll Call Vote

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

Motion Carried

VI. Approval of Consent Agenda

22-038

Moved by Sloan seconded by Schreiner to approve the consent agenda as presented.

Roll Call Vote

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

Motion Carried

VII. Public Hearing

Public Hearing opened @ 6:33 pm

I'm Aaron Wendzel and I work for ROWE Professional Services Company. I'm here to present this for the city for the project CWSRF, the clean water state revolving fund. The goal of the project is to increase the reliability and efficiency of the city's wastewater treatment. The city's current wastewater treatment facility is a typical lagoon system. Um, last updated in the 1990's so it's starting to reach the end of its useful life. The collection system is designed to gravity flow a majority of the sewage between Maple Street (clears throat) Maple Street station which is in the center of town. I'm sure you've all seen it, it's right by the AuSable River. It all goes right to that lift station and gets pumped through the force main out to the lagoon system where it ugh, the ugh the influent gets treated and then the ugh treated effluent gets transferred into a spray irrigation field there's ugh that ultimately gets discharged. So, part of the project plan ugh is to identify some of the alternatives to address the aging infrastructure issues. We identified three alternatives for the city's wastewater treatment plan. The three alternatives were alternative one, no action. Option two, improve the existing facilities. Alternative three, (clear throat) regionalization. Alternative one, labeled as no action would include do nothing. Continuing to maintain the system with no increase to reliability and efficiency and not addressing the aging infrastructure. The advantage (clear throat) advantage of this action is that there is no initial capital cost associated with it. The that the disadvantage of it would be that the components ugh would continue to deteriorate and the likelihood of failure would increase, requiring an emergency fix to maintain this wastewater treatment system. Um alternative two, includes um improvements to the existing facilities, by replacing the mechanical components that's approaching the end of its useful life. Improvements proposed at two different locations identified on the map as the main lift station on Maple and the wastewater facility. Some of the components at the maple street lift station were replaced most recently, like some of the pumps there but the lift station control panel and the scada system have not been upgraded and are part of this project. Improvements at the wastewater treatment would include the sanitary force main project um with about 9,000 feet of force main but we stopped with uh the uh entrance to the wastewater treatment facility and there's about a thousand feet left to complete there and that uh obviously would put more reliability in your system. It's a very old force main putting it nicely. The valves within the wastewater facility the isolation valves are used to be able to push water to different locations or to the lagoon. Replacing those so we can be more reliable. Uh replacing the flow meter at the wastewater treatment facility this is to get the flows into the plant and get a better handle on those. And replacing the aerators system including the aeration devices and the blowers that go along with them. Replacing the aerator system will give us a better treatment out at the wastewater treatment facility and replacing the blowers so it blows more efficiently with just the power to actually run this. Um last thing I believe is um the uh irrigation pumps. They've reached the end of their useful life. They take the treated effluent, and it gets pumped out to a discharge field on the southeast section of town. And then need some additional stones around the lagoons just to go through the plants. The advantage to the alternative is that it will handle more efficient be more reliable, but the obvious disadvantage is that there is a cost associated with it. And it's estimated at about \$1.5 million dollars. Uh alternative three which is regionalization um in regionalizing this wastewater treatment by closing the existing wastewater treatment facility and routing the city's effluent to alternate wastewater treatment facility. Um the closest one's you guys have to here is about 10 miles away um it's unknown if their systems can handle the additional wastewater and the cost to abandon the system we have in place here and connecting to the new system would far exceed that of improving the current wastewater

facility. The recommended alternative is alternative two, improving the existing wastewater treatment facilities. The initial cost of the project is estimated to be \$1.5 million dollars. We've reviewed different funding sources and determined that a state revolving fund was the best option for this project. It is estimated that the project would cost each sewer customer about 6 point or \$6.02 per month without considering the salvage value of the project or the interest cost of the loan. The annual debt retirement is estimated at about \$75,000. Um any social impacts we're not anticipating social impacts um associated with the recommended alternative because most of the improvements will occur at the already established locations both the wastewater treatment facility and the maple street lift station since we won't have to relocate anyone and can keep the traffic on the roads um the main social impact though would be the increasing customer sewer rates to cover the project improvements. Um the impact (clear throat) the impact can be attempted to be overcome by educating the public for the need of the project um but also the minimal environmental impact by the project. Most of the work is not a land disturbance besides the completion the force main replacement. The force main replacement will occur on city owned property and any land disturbance will be restored to its current condition. Are there any questions from the Council? Um questions you may have about the project.

Council Member Pettyjohn:

How long would this go on?

Aaron Wendzel:

This would be a 30-year loan. Again, not including interest that is something that we will have to look at.

Council Member Pettyjohn:

So, if we're looking at 30 years out, how far will these upgrades take us?

Aaron Wendzel:

Depending on the actual component we're looking at um each one will have a different life expectancy. Um currently blowers and aeration systems were put in in the 1900's so they've last about 30 years and that's the life expectancy for those.

Council Member Schreiner:

I think we need to be careful on how we proceed. That I've seen how even \$6 a month can break someone's budget who's on a fixed income.

Council Member Pettyjohn:

I understand that it's \$72 a year but it's for upgrades to prevent a much greater cost down the road.

Erich Podjaske:

As a business owner, I'm glad to pay \$6 a month to keep my sewer going.

Mayor Forbes:

What happens if we don't do this and it breaks? In laymen's terms.

City Manager Baum:

Then the poop backs up into people's houses and have a much bigger problem on our hands.

Council Member Sloan:

And the DEQ will fine us for everyday it's not fixed.

Council Member Schreiner:

Again, I just think we need to be careful on how we proceed. I have personally seen how even \$6 a month can break someone. I agree that we need to do this but we need to keep in mind the residents and the added cost of it.

*Multiple members talking at the same time.

Aaron Wendzel:

And just to be clear the \$72 did not include the interest that will be included on this loan. The loan and the grant there is a possibility it will be higher than that and that does not include the salvage value at the end or the interest but the loan, whatever rate the state gives us that's why we have not included it in this.

*Multiple Members talking at the same time.

Mayor Forbes:

Ok well Thank you. Are there any other questions or comments from Council? Do we have any public comment? Hearing none I will go ahead and close the public hearing at 6:47 pm.

Public Hearing closed @ 6:47pm.

VIII. City Manager's Report

City Manager Baum briefly talked about his report included in Council's packet.

The DPW Director applicant had withdrew her application.

Tree removal bids would be accepted through Thursday at 4pm.

The city's audit is finally complete and are just waiting to receive the final copy.

The Administrative Assistant resigned so due to staffing shortages the city offices will now be closed from 12pm to 12:30pm. Last week Laurie was not able to take a lunch due to being the only one in the offices are various times of the day.

There is a public hearing scheduled for June 21, 2022, during the Planning Commission meeting. He had Clerk/Treasurer Goodwin explain a tree planting idea.

Goodwin mentioned the idea of planting a tree somewhere to dedicate to Therese Kaiser for everything she has done for the city and show appreciation for her. Member Pettyjohn mentioned that there were extra trees still to be planted and would gladly have one planted for Therese.

Mayor Forbes recommended in front of Therese's parents house in downtown in the right-of-way. Schreiner stated that he was good with leaving the logistics up to Pettyjohn and Goodwin to sort out. Members agreed. Pettyjohn said he would get with Goodwin to work out the details.

IX. UNFINISHED BUSINESS

A. Marijuana Ordinance & Applications

Podjaske explained that the drafts had not gone to the city attorney yet because he wanted to get input from council for any changes first. Council had no suggestions for changes.

B. Warehouse Property

The 17 acres for sale next door, the city had previously offered \$50,000 and they countered with \$60,000. After reviewing the wetlands report and realizing that they cover a large percent of the property meaning that not as much land is developable as we originally thought, they came back with \$50,000 which was what the city originally offered. The property is also beneficial for the IBT moving forward offering more options and alternatives potentially rather than moving the fence.

22-039

Moved by Schreiner seconded by Moshier to approve the purchase of the warehouse property for \$50,000 plus all associated closing costs.

Roll Call Vote

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

Motion Carried

C. Spring Clean-Up Multi-Use Permit Road Closure Amendment

Member Pettyjohn explained that with the weather forecast of rain for the scheduled clean-up day that it wouldn't be possible to paint the paddles in the crosswalk as planned which was why they asked for the road closure.

22-040

Moved by Sloan seconded by Schreiner to allow the date of the road closure for the multi-use permit to be moved to next week due to weather.

Roll Call Vote

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

Motion Carried

X. NEW BUSINESS

A. Clean Water State Revolving Fund (CWSRF) Project Plan

City Manager Baum said I think we've went over all of this already. Member Sloan stated that there are valves stuck and inoperable so this needs to happen.

Aaron Wendzel stated that grant award amounts would be announced in the fall of 2022. Design would take place during the winter of 2022 to be ready to go out to bid in spring of 2023. The project would start late summer of 2023.

B. Resolution Adopting Final Project Plan for Wastewater System Improvements

22-041

Moved by Schreiner seconded by Sloan to waive the reading of the resolution.

Roll Call Vote

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

Motion Carried

22-042

**Moved by Sloan seconded by Pettyjohn to approve the Resolution Adopting Final Project Plan for Wastewater System Improvements
Roll Call Vote**

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

Motion Carried

C. Tax Abatement for Grayling Place Apartments at 1232 S I-75 Business Loop

Dave VanHarran of Triterra was present to answer any questions and briefly explained the breakdown of the tax abatement information that was included in the packet. It is a \$10.3 million dollar project and would be a 10-year tax abatement for the local millage only, not the school operating or debt millage. Podjaske explained that it has been FAA approved and that the city attorney would need to draft a document stating that the city would not be held liable in the event of a disaster and that the developer built knowing the potential risks being in the flight path of the military airfield. There will need to be a public hearing to rezone the property and allow the development. Members agreed to move forward with the public hearing.

D. Request to waive water/sewer bill late fees for 300 Peninsular & 308 E Michigan Avenue

Clerk/Treasurer Goodwin explained that the property owner Don Weber requested to have late fees waived on 2 of his properties due to not receiving the bills via email. Mr. Weber lives in Australia and normally has the bills emailed for all 8 of his properties.

22-043

Moved by Pettyjohn seconded by Forbes to waive 50% of the late bills for the water/sewer bills at 300 Peninsular & 308 E Michigan Avenue.

Roll Call Vote

Ayes: 4 Nays: 1 (Moshier), Abstain 0, Absent: 0, Vacant: 0

Motion Carried

XI. Public Comment

None.

XII. Council Member Comments

Member Moshier mentioned there was a rather large pothole on Michigan Ave. next to the credit union and wanted to know if the City Manager was aware of it. City Manager Baum replied that he would get with DPW about it.

Member Pettyjohn asked about the house at Spruce and Michigan that has a small bare tree in the right-of-way and wanted to know about replacing it with a new tree. Also, that there are 2 trees

marked in front of John Cherven's house that are green and look fine. He wanted to know if they were marked incorrectly since they didn't look like they needed to be removed. City Manager Baum said he would check with Danny about the trees that were marked. City Manager Baum wished everyone a safe and happy holiday weekend.

XIII. Correspondence

XIV. Adjournment

22-044

Moved by Schreiner seconded by Sloan to adjourn the meeting.

Roll Call Vote

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

Mayor Forbes adjourned the meeting at 7:31 pm.

Chelsea Goodwin
City Clerk/Treasurer

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