

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Thursday, October 17, 2019 – 6:00 p.m.
Council Chambers, 210 State Street, Charlevoix, MI

The meeting was called to order at 6:00 p.m. by Deputy Mayor Shane Cole.

1. Pledge of Allegiance

2. Roll Call

Deputy Mayor: Shane Cole
Members Present: Greg Bryan, Aaron Hagen, Janet Kalbfell, Tom Oleksy, Leon Perron
Members Absent: Mayor Luther Kurtz
City Manager: Mark L. Heydlauff
City Clerk: Joyce Golding

3. Presentations

- A. 2018-19 Fiscal Year Financial Audit Presentation
Kari Kortz of Rehmann Robson reviewed the City's financial audit fiscal year ending March 31, 2019 in detail and answered questions from Council.

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

All items listed under Consent Agenda are considered routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion of an item is required, it will be removed from the Consent Agenda and considered separately.

- A. City Council Meeting Minutes – October 7, 2019
- B. Accounts Payable and Payroll Check Registers
 - a. Regular Accounts Payable Check Register – October 18, 2019
 - b. ACH Payments – October 2, 2019 to October 18, 2019
 - c. Payroll Check Register – October 18, 2019
 - d. Payroll Transmittal – October 18, 2019
 - e. Tax Disbursement – October 18, 2019
- C. Purchase HLA Snow Wing for \$27,359 (Airport) – approve purchase from Ginop Sales
- D. Bridge Park Pump Repairs for \$16,635 – approve purchase from Kennedy Industries
- E. Revised Employee Handbook, dated October 17, 2019 – approve revised Handbook
- F. Assistant Club House Manager Job Description – approve new job description

Motion by Kalbfell, second by Hagen to approve the Consent Agenda.

Yeas: Oleksy, Bryan, Perron, Hagen, Cole, Kalbfell

Nays: None

6. Public Hearings & Actions Requiring Public Hearings

7. All Other Actions & Requests

- A. Refuse Collection Bid
DPW Superintendent Elliott stated that the current American Waste contract expires at the end of October which covers waste pick up from the different departments, dumpster delivery for special events, and the first and third Monday pick up of curbside refuse. In early October we advertised for sealed bids for this service and we received one bid from American Waste. He noted that American Waste declined to bid the first and third Monday refuse pick up therefore, there is no curbside large-item pick up after November 1.

City Manager Heydlauff explained that these services, along with some special event refuse, yard waste, leaf collection, and brush pick-up are funded with a 1 mill tax. Pursuant to MCL 123.261, Council is able to levy up to 3 mills for garbage and garbage disposal facilities. Council agreed to further evaluate this portfolio of service during the budget process.

Deputy Mayor Cole opened the item to public comment:

- Shirley Gibson was in favor of eliminated the large item pickup
- Maureen LaBlanc explained that the township had a yearly pickup

The item was closed to the public.

Motion by Hagen, second by Kalbfell, to accept the bid from American Waste and enter into a contract with them for City waste disposal and special event costs.

Yeas: Oleksy, Bryan, Perron, Hagen, Cole, Kalbfell

Nays: None

- B. Financing Public Service Facility Construction

Warren Creamer from RW Baird explained financing options for the Public Service Facility including a negotiated bond sale. He discussed several aspects of the debt issue and gave guidance on options. The target is approximately \$8.7 million in bonds for 25 years to finance this project. This takes into account cash on hand for the project. Mr. Creamer and the City Manager answered several questions from Council.

Deputy Mayor Cole opened the item to public comment. There was no comment and the item was closed.

Motion by Kalbfell, second by Hagen, authorizing the Building Authority Commission to proceed with the negotiated bond sale.

Yeas: Oleksy, Bryan, Perron, Hagen, Cole, Kalbfell

Nays: None

C. Resolution of Support for Recreational Funding Legislation

City Manager Heydlauff stated that J.B. Hoyt who owns a condo here in Charlevoix, along with local leaders in his hometown of St. Joseph, has been advocating the legislature to expand a small provision of state law allowing counties of a certain size to implement an assessment on hotel rooms to fund local recreation programming. As drafted, the bills would allow all local governments to levy up to a 5% excise tax on "short term lodging"--this includes traditional hotels and short-term rentals (except for those rented for 14 days or less). City Manager Heydlauff noted that he does not have an estimate of how much revenue this could raise for us, but it is noteworthy that our General Fund currently covers approximately \$1.2 million in expenses for recreational amenities. By approving a resolution, City Council would be on record supporting the two-bill package.

Deputy Mayor Cole opened the item to public comment:

- Shirley Gibson was in favor
- Ian Fleming, Hotel Earl, was not in favor
- Amanda Wilkin expressed her opinion on many aspects of the draft bill

The item was closed to the public.

Council concurred to discuss further when the House has a final draft of the bill.

D. Deficit Elimination Plan for the Marina

City Manager Heydlauff stated that the City of Charlevoix Marina Fund has a \$46,552 deficit fund balance as of March 31, 2019. The Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21(2) states that units of local government (local units) that end their fiscal year in a deficit condition shall formulate a deficit elimination plan. In working with the auditor and the State of Michigan Treasury, the City has formulated a deficit elimination plan for the Marina Fund.

Deputy Mayor Cole opened the item to public comment. There was no comment and the item was closed.

Motion by Kalbfell, second by Oleksy, to approve Resolution 2019-10-02 to establish a deficit elimination plan for the Marina.

**CITY OF CHARLEVOIX
RESOLUTION 2019-10-02**

**RESOLUTION TO ADOPT A DEFICIT ELIMINATION PLAN FOR THE MARINA
PER THE GLENN STEIL STATE REVENUE SHARING ACT OF 1971, PUBLIC ACT 140 OF 1971, SECTION 21(2)**

WHEREAS, *the City of Charlevoix Marina Fund has a \$46,552.00 deficit fund balance on March 31, 2019; and*

WHEREAS, *1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;*

NOW THEREFORE BE IT RESOLVED, *that the City Council of the City of Charlevoix adopts the following as the City of Charlevoix Marina Fund Deficit Elimination Plan:*

CITY OF CHARLEVOIX MARINA FUND

	2019-20 Original Budget	2019-20 Amended Budget	2019-20 Est. Actual	2020-21 Budget
UNRESTRICT NET POSITION (DEFICIT) APRIL 1	\$ (540,061)	\$ (540,061)	\$ (540,061)	\$ (144,185)
REVENUES				
LAUNDRY REVENUE	1,730	1,730	1,730	1,730
RENTS & ROYALTIES - DOCKING SEASONAL	68,000	68,000	68,000	68,000
RENTS & ROYALTIES - DOCKING RESERV SYSTEM	350,000	350,000	350,000	350,000
RENTS & ROYALTIES - DOCKING TRANSIENT	29,000	29,000	29,000	29,000
RENTS & ROYALTIES - SUNSHINE	4,000	4,000	4,000	4,000
RENTS & ROYALTIES - LITTLE TRAVERSE CHARTERS	4,100	4,100	4,100	4,100
INTEREST INCOME	600	600	600	600
FUND TRANSFERS FROM DDA - DEBT SVC	334,600	334,600	334,600	335,700
MISCELLANEOUS-OTHER REVENUE	-	-	15,000	-
TRANSFER FROM GENERAL FUND	-	94,000	94,000	-
TOTAL REVENUES	\$ 792,030	\$ 886,030	\$ 901,030	\$ 793,130
EXPENSES				
SALARIES & WAGES - FULL TIME	32,400	32,400	31,154	33,000
WAGES - ICMA	3,900	3,900	3,761	4,000
SALARIES & WAGES - TEMPORARY	83,400	83,400	91,097	83,500
EMPLOYEE FRINGE BENEFITS	37,800	37,800	37,965	38,300
OFFICE SUPPLIES	100	100	190	100
OPERATING SUPPLIES	6,900	6,900	6,900	6,900
PROFESSIONAL SERVICES	5,300	5,300	5,250	5,300
CONTRACTUAL SERVICES	9,400	9,400	28,400	11,800
STATE CRS COMMISSION FEES	17,300	17,300	13,000	14,300
STATE CRS RESERVATION FEES	10,700	10,700	9,700	10,700
TELEPHONE	1,300	1,300	1,300	1,300
CONFERENCE/TRAVEL/TRAINING	900	900	150	900
INSURANCE & BONDS	3,000	3,000	2,929	3,000
UTILITIES	71,400	71,400	68,000	71,400
BUILDING & DOCK MAINTENANCE	14,600	14,600	16,800	17,100
EQUIPMENT RENTAL	700	700	700	700
MISCELLANEOUS	2,200	2,200	2,200	2,200
CREDIT CARD PROCESSING FEES	7,600	7,600	7,600	7,600
DEPRECIATION	658,000	658,000	658,000	658,000
MACHINERY & EQUIPMENT	300	300	2,528	300
INTEREST EXPENSE	5,400	5,400	5,430	4,900
TRANSFER TO ELECTRIC - ADVANCE REIMBUSE	50,000	50,000	50,000	100,000
DEBT SERVICE - PRINCIPAL	340,000	340,000	340,000	355,000
DEBT SERVICE - INTEREST	126,400	126,400	119,600	105,700
DEBT SERVICE - PAYING AGENT FEES	500	500	500	500
TOTAL EXPENSES	\$ 1,489,500	\$ 1,489,500	\$ 1,503,154	\$ 1,536,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (697,470)	\$ (603,470)	\$ (602,124)	\$ (743,370)
ADD BACKS				
DEPRECIATION	\$ 658,000	\$ 658,000	\$ 658,000	\$ 658,000
DEBT SERVICE - PRINCIPAL	340,000	340,000	340,000	355,000
TOTAL ADD BACKS	\$ 998,000	\$ 998,000	\$ 998,000	\$ 1,013,000
UNRESTRICT NET POSITION (DEFICIT) MARCH 31	\$ (239,531)	\$ (145,531)	\$ (144,185)	\$ 125,445
CA-CL (DEFICIT) APRIL 1	\$ (46,552)	\$ (46,552)	\$ (46,552)	\$ 349,324
REVENUES	792,030	886,030	901,030	793,130
EXPENSES	(1,489,500)	(1,489,500)	(1,503,154)	(1,536,500)
ADD BACKS	998,000	998,000	998,000	1,013,000
CA-CL (DEFICIT) MARCH 31	\$ 253,978	\$ 347,978	\$ 349,324	\$ 618,954

BE IT FURTHER RESOLVED that the City of Charlevoix submits the Marina Fund Deficit Elimination Plan to the Michigan Department of Treasury for Certification.

RESOLVED, this 17th day of October, A.D. 2019.

Resolution was adopted by the following yea and nay vote:

Yeas: Oleksy, Bryan, Perron, Hagen, Cole, Kalbfell

Nays: None

8. Reports & Communications

A. Public Comments

- Tom Kapanoske felt changes were coming for Airbnbs in 2020
- Darlene Kline questioned the date of this meeting

B. City Manager Comments

- Attending ICMA conference next week
- Kudos to Airport Manager Wyman for working more cost effectively
- Short term rental language draft was distributed to Council; Council set a Work Session for October 28th at 3:00 p.m.

C. Mayor & Council Comments

- Bryan complimented Veterans Park; street closure during Apple Fest was beneficial
- Cole reminded of the power outage scheduled for midnight tonight to repair severed lines

9. Other Council Business

10. Adjourn

The Deputy Mayor adjourned the meeting at 7:39 p.m.

Joyce M. Golding	City Clerk	Shane Cole	Deputy Mayor
Regular Accounts Payable – 10/18/2019			
ACCUMED GROUP, THE	3,575.92	LEGENDS AUTO GLASS	325.00
ACE HARDWARE	2,757.97	LOTTIE'S BAGELS	15.00
AIRGAS USA LLC	68.65	MACGREGOR PLUMBING & HEATING	80.80
AMERICAN LEGAL PUBLISHING CORP	30.00	MAILLOUX, SUSIE	8.43
AMERICAN WASTE INC.	3,419.16	MCCARDEL CULLIGAN-PETOSKEY	50.50
APX INC.	33.58	MCMULLEN, DONALD R.	109.31
AT YOUR SERVICE PLUS INC	1,158.30	MDC CONTRACTING LLC	1,890.50
AT&T	4,730.04	MEADOWBROOK INSURANCE GROUP	1,085.93
AUTO VALUE	40.92	MI MUNICIPAL TREASURERS ASSOC	150.00
AVFUEL CORPORATION	21,781.10	MI-AWWA	340.00
B & L SOUND INC	1,017.93	MICHIGAN MUNICIPAL LEAGUE	25.00
BERG, REBECCA	119.00	MICHIGAN MUNICIPAL LEAGUE	11,918.00
BOUND TREE MEDICAL LLC	634.01	MICHIGAN OFFICEWAYS INC	1,298.55
BRADFORD'S	45.50	MUTT MITT	973.22
BRADLEY, KELLY R.	441.21	MY TCBD	1,365.00
BRADY'S CARPET CLEANING	3,894.49	NAVIA BENEFIT SOLUTIONS	50.00
BUDDERFLY INC.	137.80	NORTHERN MICHIGAN REVIEW INC.	3,651.31
CARQUEST OF CHARLEVOIX	1,300.29	NORTHERN SAFETY CO INC	214.36
CCI SOUTH LLC	78.75	NW MI COG	12,375.00
CCP INDUSTRIES INC	281.69	OLESON'S FOOD STORES	154.03
CDW GOVERNMENT INC.	191.44	OLSON BZDOK & HOWARD	3,084.50
CENTER POINT ASSEMBLY	427.00	ONE BEAT CPR	120.00
CENTRAL DRUG STORE	100.90	PARASTAR INC.	524.73
CHARLEVOIX AREA CHAMBER OF COMM	200.00	PLUNKETT & COONEY	440.00
CHARLEVOIX BRIDGE DROP	2,500.00	POSTMASTER	55.54
CHARLEVOIX SCREEN MASTERS INC	920.00	POWERPLAN	5,800.00
CHARTER COMMUNICATIONS	994.66	PRESTON FEATHER	159.84
CINTAS	84.09	PROVIDENCE FARM LLC	328.00
CINTAS CORPORATION	150.75	PRO-VISION VIDEO SYSTEMS	715.00
COMPASS MINERALS AMERICA	16,064.50	PURITY CYLINDER GASES INC	367.72
CONWAY PROFESSIONAL SERVICES	4,228.00	RANGE TELECOMMUNICATIONS	172.50
COUNTY OF CHARLEVOIX	4.00	SHARROW MASONRY INC	1,128.00
DHASELEER, CARL	85.00	SHINDORF BUILDERS	844.00
DOTSON, LINDSEY J.	1,163.73	SIEGRIST, DAVID	65.00
ECKSTEIN, BREENNE	21.94	SIGN & DESIGN	85.00
EJ USA INC.	904.93	SITE PLANNING DEVELOPMENT INC	530.42
ELLSWORTH FARMER'S EXCHANGE	738.00	SNAP-ON	110.50
EMERGENCY MEDICAL PRODUCTS INC	293.96	SOTO, DAVE	33.47
ETNA SUPPLY	8,350.00	SPARTAN STORES LLC	66.78
FAMILY FARM & HOME	487.07	STANDARD ELECTRIC CO	900.00
FEYEN ZYLSTRA LLC	500.00	STATE OF MICHIGAN	520.00
FISHER SCIENTIFIC	810.39	STATE OF MICHIGAN	630.68
FREEDOM MAILING SERVICES INC.	2,277.50	STRICKER'S OUTDOOR POWER EQUIP	54.65
GINOP SALES INC	118.25	SUMMIT COMPANIES	285.00
GRAND TRAVERSE CONSTRUCTION	7,433.05	TERMINAL SUPPLY CO	618.62
HACH COMPANY	1,668.43	THUNDER BAY TREE SERVICE LLC	11,068.00
HARRELL'S	2,640.66	TOP LINE	450.00
HART II, DELBERT W.	112.00	TRAVERSE CITY RECORD EAGLE	381.00
HERRIMAN, KRISTEN	50.00	UNIFIRST CORPORATION	509.97
HERZOG ELECTRIC	1,626.29	USA BLUE BOOK	2,968.98
HYDRO CORP	539.50	VIEAU, KENDRA	43.17
JOHN E. GREEN COMPANY	1,339.75	VILLAGE GRAPHICS INC.	93.50
KLOOSTER, ALIDA K.	48.72	WILBERT BURIAL VAULT CO	469.04
KSS ENTERPRISES	741.67	WILLIAMSON, ROBERT	75.00
LAMAR COMPANIES	750.00	ZIIBIMJWANG INC	55.00
LASER PRINTER TECHNOLOGIES	499.00	TOTAL	174,445.04
ACH Payments – 10/02/2019 to 10/18/2019			
PROXIMITY SPACE INC (THE VAULT)	100.41	DTE ENERGY	2,172.14
PAYMENT SERVICE NETWORK	238.90	IRS (PAYROLL TAX DEPOSIT)	41,078.90
MI PUBLIC POWER AGENCY	10,464.09	ALERUS FINANCIAL (HCSP)	350.00
STATE OF MI (SALES TAX)	21,236.29	STATE OF MI (WITHHOLDING TAX)	6,134.37
MI PUBLIC POWER AGENCY	17,917.42	VANTAGEPOINT (401 ICMA PLAN)	858.02

VANTAGEPOINT (457 ICMA PLAN)	19,812.71	MERS (DEFINED BENEFIT PLAN)	51,399.03
VANTAGEPOINT (ROTH IRA)	955.76	TOTAL	172,718.04

Payroll Net Pay – Pay Period Ending 10/12/2019 (Paid 10/18/2019)

HEYDLAUFF, MARK L.	2,719.82	KUNKLE, KENNETH E.	553.42
GOLDING, JOYCE M.	1,836.29	MUMICH, BARRY J.	624.28
DEROSIA, PATRICIA E.	787.99	CRANDELL, ZACKARY R.	612.43
DOTSON, LINDSEY J.	1,390.27	MUELLER, JASON C.	574.19
KLOOSTER, ALIDA K.	1,732.22	ROSENTHAL, GABRIEL M.	708.23
GOLOVICH, KAREN J.	984.97	KNORR, KENT J.	1,916.46
BARNEVELD, RICHELLE L.	1,162.91	ANZELL, BETH A.	1,287.41
SPENCLEY, PATRICIA L.	62.93	KLOOSTER, PATRICK H.	1,621.93
MCGINN, KELLY A.	2,025.21	EVANS JR, HALBERT K.	686.93
LAVENDER, JOSEPH E.	1,692.80	TELGENHOF, WILL G.	615.72
SCHULMAN, BLAKE B.	343.58	WHITE III, MARCUS W.	289.54
DOAN, GERARD P.	2,033.71	GREYERBIEHL, KELLY M.	430.61
SCHLAPPI, JAMES L.	1,093.90	KIRINOVIC, THOMAS F.	296.94
UMULIS, MATTHEW T.	1,188.49	MASSON, DONALD J.	540.73
HANKINS, SCOTT A.	1,889.67	LIVINGSTON, BRIAN D.	1,390.93
ORBAN, BARBARA K.	1,120.55	STANLEY, MARK J.	29.21
FLICKEMA, ANDREW M.	1,389.03	WYMAN, MATTHEW A.	1,669.82
RILEY, DENISE M.	470.81	MILLER, WILLIAM S.	959.37
MUNK, CHRISTOPHER J.	1,473.27	DOUGLAS, MARK	925.56
MATELSKI, KRISTEN L.	1,296.95	PRIOR, ERIN C.	1,049.70
BINGHAM, LARRY E.	66.95	CERTA, BRIAN	512.13
WURST, RANDALL W.	1,121.15	SEAVAR, WILLIAM F.	63.44
MAYER, SHELLEY L.	1,851.72	MCMULLEN, DONALD R.	1,687.59
HILLING, NICHOLAS A.	1,775.26	SILVA, JESSE L.A.	1,777.58
MEIER III, CHARLES A.	1,486.01	JOHNSON, MELISSA A.	1,493.95
ZACHARIAS, STEVEN B.	1,279.12	STEPHENS, LYON G.	1,820.33
NEWMAN, MARK J.	882.43	STEVENS, JEFFREY W.	212.76
SWEM, DONALD L.	1,710.39	RILEY, CASEY W.	692.47
EATON, BRAD A.	2,730.86	JONES, LARRY M.	488.47
WILSON, TIMOTHY J.	2,638.46	FLORE, ROBERT A.	836.59
LAVOIE, RICHARD L.	2,272.34	MATZ, EMILY S.	1,390.82
STEVENS, BRANDON C.	2,929.65	LAGASSE, TRACY M.	17.62
DRAVES, MARTIN J.	2,270.16	TRAVERS, MANUEL J.	398.65
ANDERSON, ELIZABETH A.	1,233.28	MOYER, DAVID T.	156.38
KENWABIKISE, DAVID L.	1,097.45	RILEY, DANIEL A.	46.25
ELLIOTT, PATRICK M.	2,331.90	WHEELER, MICHAEL W.	1,393.96
SCHWARTZFISHER, JOSEPH	1,338.92	AZZOPARDI, ANTHONY J.	1,986.50
BRADLEY, KELLY R.	1,501.88	DEKORNE, ELIZABETH A.	1,536.36
HART II, DELBERT W.	1,542.86	MCCRANEY, RUSSELL R.	280.82
JONES, ROBERT F.	1,514.94	WELLS, JANNINA J.	281.92
FARRELL, MITCHELL L.	1,354.30	MOYER, NATHAN I.	1,457.16
THORP JR, WILLIAM D.	1,459.10	WHITLEY, ANDREW T.	2,165.75
LEITNER, RYAN S.	1,541.12	MORRISON, KEVIN P.	1,309.05
FERGUSON, ROYCE L.	1,431.87	BISHAW, JAMES H.	748.28
DORAN, JUSTIN J.	2,064.45	KISH, ANASTASIA L.	599.46
MANKER SR, DAVID W.	659.28	KLINGER, BRADLEY W.	216.70
NEDWICK, DAVID J.	500.61	GILL, DAVID R.	1,128.79
FREY, DYLAN V.	488.45	WATTS, TIMOTHY L.	227.93
HART III, DELBERT W.	903.95	TOTAL	112,653.61
DOTSON, WILLIAM R.	268.26		

Payroll Transmittal – 10/18/2019

4FRONT CREDIT UNION	932.01	COMMUNICATION WORKERS OF AMER	638.72
AMERICAN FAMILY LIFE	673.86	MI STATE DISBURSEMENT UNIT	533.10
CHAR EM UNITED WAY	90.00	MONEY LIFE INSURANCE CO OF AMERICA	326.65
CHARLEVOIX STATE BANK	1,247.00	PRIORITY HEALTH	1,428.29
CHEMICAL BANK	175.00	TOTAL	6,044.63

Tax Disbursement – 10/18/2019

CHARLEVOIX COUNTY TREASURER	28,111.59	CHARLEVOIX PUBLIC SCHOOLS	403.35
CHARLEVOIX PUBLIC SCHOOLS	43,810.18	CITY OF CHARLEVOIX - TAXES DUE	33,184.37
CHARLEVOIX PUBLIC SCHOOLS	4,842.14	JASURDA, DONALD F.	162.63
CHARLEVOIX PUBLIC SCHOOLS	1,344.89	TOTAL	112,800.51
CHARLEVOIX PUBLIC SCHOOLS	941.36		