

City of Charlevoix
City Council Regular Meeting Minutes
Wednesday, August 7, 2024 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. Pledge of Allegiance

The meeting was called to order at 6:00 p.m. by Mayor Gennett. The Council, staff, and members of the public rose and recited the Pledge of Allegiance.

2. Roll Call

Mayor: Lyle Gennett

Members Present: Shane Cole, Aaron Hagen, Janet Kalbfell, Mark Knapp, Phil Parr, Richard Spring

Members Absent: None

City Manager: Mark L. Heydlauff

City Clerk: Sarah J. Dvoracek

3. Presentations

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

Mayor Gennett opened the item for public comment. None were heard.

Motion by Parr, seconded by Knapp to approve the consent agenda as presented.

Yeas: Cole, Knapp, Parr, Kalbfell, Hagen, Spring

Nays: None

Absent: None

Motion carried.

A. City Council Meeting Minutes - July 15, 2024

Motion to approve the minutes as presented.

B. Accounts Payable and Payroll Check Registers

Motion to approve the accounts payable and payroll check registers as presented.

Dates	Description	Amount
07/19/2024	Payroll Transmittal Checks	\$5,570.30
07/19/2024	Payroll (net pay)	\$153,762.78
07/22/2024	Special Accounts Payable Run	\$82,968.40
07/29/2024	Special Accounts Payable Run	\$17,117.56
08/02/2024	Payroll (net pay)	\$165,623.90
08/02/2024	Payroll Transmittal Checks	\$5,541.13
08/08/2024	Regular Accounts Payable	\$415,966.86

07/15/2024-08/02/2024	ACH/WIRE Payments	\$585,139.58
07/15/2024	Special A/P Tax Disbursement	\$1,055,381.28
07/29/2024	Special A/P Tax Disbursement	\$680,797.29
Grand Total		\$3,167,869.08
The entire accounts payable and payroll check registers can be viewed here.		

C. MDOT Trunkline Maintenance Contract

Motion by Parr, seconded by Knapp to approve the MDOT Truckline Maintenance Contract as presented and give authorization to the City Manager to sign the contract and all necessary documents.

CITY OF CHARLEVOIX

RESOLUTION NO. 2024-08-01

TO ENTER INTO CONTRACT WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION FOR STATE TRUCKLINE MAINTENANCE

WHEREAS, the City of Charlevoix agrees to enter into a Contract with the Michigan Department of Transportation (MDOT) for maintenance of State Truckline; and

NOW THEREFORE BE IT RESOLVED that the Charlevoix City Council, hereby authorizes City Manager Mark L. Heydlauff to execute the Contract on behalf of the City of Charlevoix.

RESOLVED this 7th day of August, 2024 A.D.

Resolution was adopted by the following yea and nay vote:

Yeas: Cole, Knapp, Parr, Kalbfell, Hagen, Spring

Nays: None

Absent: None

Motion carried.

D. Half Ton Truck Lease Through Enterprise Fleet

Motion to approve the lease agreement with Enterprise Fleet Management and authorize the City Manager to sign any required documents.

E. Michigan Municipal League Annual Meeting Notice-Designate Voting Delegate and Alternate

Motion to designate Mayor Gennett to cast the vote of the City of Charlevoix at the MML's Annual Meeting held on September 11, 2024 and Council Member Kalbfell as the alternate.

F. Investment Update from City Treasurer as of 8/7/24

Motion to receive the investment report as presented.

G. Adopt PA 152 Annual Exemption Option for the 2024-25 Medical Benefit Plan Coverage

Motion to approve Resolution 2024-08-02 adopting the annual exemption option as set forth in PA 152 for the City's medical benefit plan coverage year of October 1, 2024 through September 31, 2025 in order to comply with the requirements of PA 152.

CITY OF CHARLEVOIX

RESOLUTION NO. 2024-08-02

RESOLUTION TO ADOPT THE ANNUAL EXEMPTION OPTION AS SET FORTH IN 2011 PUBLIC ACT 152, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT

WHEREAS, 2011 Public Act 152 (the “Act”) was passed by the State Legislature and signed by the Governor on September 24, 2011; and

WHEREAS, the Act contains three options for complying with the requirements of the Act; and

WHEREAS, the three options are as follows:

1. Section 3 - “Hard Caps” Option - limits a public employer’s total annual health care costs for employees based on coverage levels, as defined in the Act;
2. Section 4 - “80%/20%” Option - limits a public employer’s share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;
3. Section 8 - “Exemption” Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body; and

WHEREAS, the City Council has decided to adopt the annual Exemption option as its choice of compliance under the Act.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Charlevoix elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the annual Exemption option for the medical benefit plan coverage year October 1, 2024 through September 30, 2025.

RESOLVED this 7th day of August 2024 A.D.

Resolution was adopted by the following yea and nay vote:

Yeas: Cole, Knapp, Parr, Kalbfell, Hagen, Spring

Nays: None

Absent: None

Motion carried.

H. MERS 2024 Officer and Employee Delegate Certification Form

Motion to approve the MERS 2024 Officer and Employee Delegate Certification Form.

6. Public Hearings and Actions Requiring Public Hearings

A. Pinebridge Place PILOT Ordinance

Mark Heydlauff, City Manager

City Manager Heydlauff presented information on the Pinebridge Place PILOT & Development Agreement.

Mayor Gennett opened the item for public comment. None were heard.

Motion by Spring, seconded by Kalbfell to approve ordinance 851 of 2024 a Payment in Lieu of Tax Ordinance for Pinebridge Place.

CITY OF CHARLEVOIX

ORDINANCE NO. 851

AN ORDINANCE TO PROVIDE FOR A SERVICE CHARGE IN LIEU OF TAXES FOR A HOUSING PROJECT FOR LOW INCOME PERSONS AND FAMILIES TO BE FINANCED WITH A FEDERALLY AIDED MORTGAGE LOAN PURSUANT TO THE PROVISIONS OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (1966 PA 346, AS AMENDED; MCL 125.1401, ET SEQ) (THE "ACT").

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "City of Charlevoix Tax Exemption Ordinance-Pinebridge Place Townhomes."

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low-income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City of Charlevoix (the "City") is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low-income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that Northern Homes Community Development Corporation and Pinebridge Place Nonprofit Housing Corporation, (the Sponsor) has offered, subject to receipt of an allocation under the SHRP Pilot Program by the Michigan State Housing Development Authority, to construct, own and operate a housing project identified as Pinebridge Place Townhomes on certain property located at 1522 Bridge Street in the City to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all ad valorem property taxes.

SECTION 3. Definitions.

A. Authority means the Michigan State Housing Development Authority.

B. Annual Shelter Rent means the total collections during a calendar year from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.

C. SHRP Pilot Program means the MSHDA Small-Scale Housing Rental Pilot program administered by the Authority utilizing the Neighborhood Stabilization Program-Program Income.

D. Low Income Persons and Families means persons and families with incomes less than 120% of the Area Median Income for Charlevoix County, based on family size, as established by the U.S. Department of Housing and Urban Development.

E. Mortgage Loan means a loan that is Federally Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.

F. Sponsor means any entity that receives or assumes a Mortgage Loan.

G. Utilities means charges for gas, electric, water, garbage removal, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan. It is further determined that Pinebridge Place Townhomes is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Pinebridge Place Townhomes and the property on which it will be located shall be exempt from all ad valorem property taxes from and after the commencement of construction. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all ad valorem property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 3% of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt, but which is occupied by other than low income

persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the City and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before May 1st of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, et seq).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate until after the period ending December 31, 2055. The housing project shall remain subject to income and rent restrictions under the SHRP Pilot Program throughout the duration of this ordinance.

SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

SECTION 12. Severability

No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 13. Effective Date

This Ordinance shall become effective thirty (30) days after its enactment pursuant to the City Charter.

Ordinance No. 851 was adopted on the 7th day of August 2024 A.D., by the Charlevoix City Council as follows:

Yeas: Cole, Knapp, Parr, Kalbfell, Hagen, Spring

Nays: None

Absent: None

Motion carried.

7. All Other Actions and Requests

8. Reports and Communications

A. Public Comment

B. City Manager's Comments

C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

Mayor Gennett adjourned the meeting at 6:04 p.m.

Sarah J. Dvoracek

City Clerk

Lyle Gennett

Mayor