

The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in Meeting Room A of the Pere Marquette District Library by Mayor Pat Humphrey who led with the Pledge of Allegiance. Present were: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Karla Swanson and Carolyn (Gus) Murphy. Absent: None. Also present were Ken Hibl, City Manager; Steve Kingsbury, Treasurer; Sarah Schumacher, Deputy Clerk; Jim McBryde and Pam O'Laughlin of MMDC.

2. CONSENT AGENDA:

Moved by Commissioner Murphy second by Commissioner Swanson to approve the items listed with an asterisk (*) (Agenda, Minutes, First Reading of Ordinance 2019-009 Chapter 26, Board and Committee Appointments, Communications, and Bills) that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

3. *APPROVAL OF MINUTES:

Approved By Consent Agenda.

5. PUBLIC COMMENT: Lori Martin, Clare County Clerk, updated the Commission on election training events and other items within the county clerk/register of deeds office.

6. UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. MIDDLE MICHIGAN DEVELOPMENT CORPORATION ANNUAL REPORT

The City of Clare is one of Middle Michigan Development Corporation's municipal clients, and we have a seat at the table of its board of directors. Each year MMDC provides an annual report to the City Commission outlining its major accomplishments and achievements. Mr. Jim McBryde, MMDC's President and CEO, and Pam O'Laughlin, MMDC's Clare County Director, presented the 2018 report.

B. ESTABLISHMENT OF PA 255 COMMERCIAL REDEVELOPMENT DISTRICT

Michigan Public Act 255 of the Acts of 1978 established a law that allowed individual property owners to request or governmental units on their own initiative to establish Commercial Redevelopment Districts for the purpose of enabling commercial property owners within the established District(s) to apply for a Commercial Exemption Certificate to assist in renovating and expanding aging facilities and assist in the development of new facilities, thereby providing an incentive for improvement of aged buildings and promoting economic development. PA 255 and the provisions therein use the same principles established in Michigan Public Act 198 of the Public Acts of 1974, which the City has effectively used for the past two decades to approve Industrial Facilities Exemption Certificates for its local industrial business community, thereby achieving tremendous success in expanding the City's industrial base and contributing to local job creation.

The Doherty Hotel, with the assistance of the Michigan Economic Development Corporation (MEDC), the Middle Michigan Development Corporation (MMDC), and the consulting firm of Spence Brothers of Saginaw, has been developing plans to renovate the original (1924), aging section of the hotel for the past year. The estimated cost of the project is in excess of \$6M; consequently, the Doherty Hotel has submitted a request to MEDC for financial assistance. MEDC has positively indicated fiscal assistance will be provided, but has concurrently advised they believe it appropriate that local government provide evidence of its support of the project and suggested the City consider establishing a Commercial Redevelopment District to allow the Doherty Hotel to apply for a Commercial Exemption Certificate, thereby defraying local taxation on the project improvements for the period of the exemption certificate granted.

The anticipated construction start date is late-June/early-July 2019. The final scope of the project (currently a complete façade restoration to return the hotel to its original 1924 appearance; rehabilitation of 39 of the original hotel rooms converting this space to 21 modern, enlarged guest suites; and rehabilitation of the bar area) will be determined by the amount of financial assistance that can be assured. If the City

Commission establishes the Commercial Redevelopment District, the Doherty Hotel intends to submit an exemption certificate application to the City for consideration at its May 20th meeting. MEDC will subsequently make a decision related to the amount of financial aid it will provide for this project.

The City Commission has the prerogative of whether to establish the Commercial Rehab District, and it may also determine the boundaries of the district. The boundaries of the district can be limited to just the Doherty Hotel parcel that will be rehabilitated or to a much larger boundary area. If the City Commission determines it is in the best interests of the City to establish the district, I recommend that the district boundaries coincide with those of the Clare Downtown Development Authority, thereby providing all commercial property owners within that district the same opportunity that will be provided to the Doherty Hotel. The Clare DDA is scheduled to meet on Friday, May 3rd. The Commercial Redevelopment District and the Doherty Hotel request for an exemption certificate are on the agenda of the DDA for consideration. We will advise the City Commission of the DDA's recommendation in this matter subsequent to that meeting.

The City Commission is required to hold a public hearing prior to considering whether to establish the Commercial Redevelopment District. We've published and posted the required notice for the hearing and have provided all affected property owners with the mandated written notice - the notices were sent to all property owners within the currently established DDA District.

Motion by Commissioner Swanson second by Commissioner Clark to open the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner Murphy second by Commissioner Swanson to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried*

Motion by Commissioner Murphy second by Commissioner Swanson to establish the Commercial Redevelopment District and to set the boundaries of the district to coincide with those of the Clare Downtown Development Authority, by adoption of Resolution 2019-049. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried*

C. DETERMINATION OF NECESSITY – PROPOSED LAKE SHAMROCK MAINTENANCE (WEED CONTROL) PROJECT

By adoption of its Resolution 2019-044, the City Commission initiated special assessment proceedings to continue the two-decade- long annual program of weed control for Lake Shamrock. Concurrent with the initiation of the process, the Commission directed the City Manager to submit a report outlining the scope of the project, the costs of the project, the estimated life of the weed control program, and a description of the proposed assessment district. The Commission also directed the City Clerk to publish notice of the proposed project and notify via first class mail all property owners expected to be affected by the project

The Commission is now asked to review the report, hold the required hearing, and if it deemed appropriate to do so, direct that the assessment roll be prepared, that a public hearing be scheduled to hear objections to the assessment roll, and that all mandatory notices be published and mailed, as required.

Motion by Commissioner Bonham second by Commissioner Swanson to open the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Public Comment: Mr. Albert Zuby, Lake Shamrock resident, responded by mail his opposition to the proposed special assessment.

Motion by Commissioner Swanson second by Commissioner Clark to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Motion by Commissioner Swanson second by Commissioner Murphy to direct that the assessment roll be prepared, that a public hearing be scheduled to hear objections to the assessment roll, and that all mandatory notices be published and mailed, as required by adoption of Resolutions 2019-050. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

D. RECOGNITION – MRS. BETTY FRANK, CHERRY GROVE CEMETERY ADVISORY BOARD

Betty Frank has served as an active voting member of the Cherry Grove Cemetery Advisory Board for the past two and one-half years (since Nov 2016). Betty is relocating to south Michigan and has tendered her resignation. The City Commission is asked to formally recognize Betty for her dedicated service to our community.

Motion by Commissioner Swanson second by Commissioner Murphy recognize Betty for her service to our community by approval of Resolution 2019-051. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

E. AIRPORT LOT LEASE – LOT 103 (BRYAN DAVIS)

Lot 103 of the Clare Municipal Airport Layout Plan is currently a vacant lot. Mr. Bryan Davis has petitioned the City to enter in to a lease agreement for this lot so that he can submit a site plan application to the city's Planning Commission and obtain the necessary permits for the construction of a new hangar on this lot. The City Commission is asked to approve the lease agreement

Motion by Commissioner Murphy second by Commissioner Swanson to approve the proposed lease agreement for Lot 103 of the Airport Layout Plan to Mr. Bryan Davis by adoption of Resolution 2019-052. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

F. AIRPORT LOT LEASE – LOT 206 (JEFF CRAWFORD)

Mr. Jeff Crawford has purchased the existing aviation hangar constructed on Lot 206 of the Clare Municipal Airport Layout Plan from Mr. James Hovey. Consequently, he has petitioned the City to have the lease for the lot transferred to reflect that he is the new owner of the hangar on this lot. The City Commission is asked to approve the lease agreement

Motion by Commissioner Murphy second by Commissioner Swanson to approve the transfer of the lease agreement for Lot 206 of the Airport Layout Plan to Mr. Jeff Crawford by adoption of Resolution 2019-053. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

G. ORDINANCE 2019-009 – CHAPTER 26 (LAW ENFORCEMENT)

Our City Attorney has recommended that the City incorporate a civil infractions section to the City's ordinance codes to address public marihuana use. These changes are incorporated in Ordinance 2019-009 for the City Commission's consideration. The Commission held the required hearing and permitted a First Reading of the proposed ordinance at the Commission's April 15th meeting. Subsequently, our City Attorney discovered an oversight in our ordinance codes related to civil infractions and has corrected the error with the proposed Ordinance 2019-009.

All ordinance code changes or amendments require the approval of the Clare City Commission. And all ordinances require two readings and approval of the Clare City

Commission subsequent to a public hearing. The required public notice announcing the hearing has been published. Subsequent to the conduct of the hearing, the Commission has the option of allowing a First Reading of the proposed Ordinance or denying the conduct of a First Reading, thereby rejecting the proposed new ordinance.

The City Commission is asked to conduct the required public hearing and approve or deny a First Reading of the proposed ordinance.

Motion by Commissioner Murphy second by Commissioner Clark to open a public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner Swanson second by Commissioner Murphy to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

H. REIMBURSEMENT RESOLUTION – WATER TREATMENT PLANT PROJECT

We've received USDA approval to proceed with our Water Plant Improvement Project and are nearing the point where we can solicit bids for the major project work and issue bonds to pay for the project. However, we have already incurred costs due to the emergency repairs required on our two repairable iron removal filters. The work on the filters commenced prior bond sales and bid solicitation. The costs we've incurred thus far are inclusive of the project. Our bonding attorney has advised us we will be able to reimburse ourselves for these costs, but the City Commission is required to adopt a resolution allowing the reimbursement. The Commission is asked to adopt the required resolution.

Motion by Commissioner Bonham second by Commissioner Murphy to approve the reimbursement by the adoption of resolution 19-054. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

I. GFA ENGINEERING AGREEMENT – WATER TREATMENT PLANT PROJECT

GFA, the City's engineer of record, has provided us an engineering agreement for our Water Treatment Plant Rehabilitation Project. The agreement is a standard engineering agreement and is required to be approved by the City Commission to allow us to comply with USDA's administrative requirements for the financing we are receiving for the project. The Commission is asked to approve the agreement.

Motion by Commissioner Clark second by Commissioner Swanson to approve the agreement by the adoption of resolution 2019-055. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

J. APPROVAL TO REIMBURSE FOR OVER-CHARGE OF WATER & SEWER FEES – ALRO STEEL

The City changed water meters at Alro Steel in 2014. The water meters were of a different design and function differently (one has a stationary zero; the other does not). The result was that we've been over-charging for water & sewer fees (nearly ten times what we should have been charging since the meter conversion. Unfortunately we did not catch our error, nor did Alro Steel. The error was finally discovered by Alro Steel a few weeks ago when they were comparing rates of their water & sewer fees at their multiple locations in Michigan and were using Clare's site for budgeting purposes for a new site they are opening. They questioned us, and determined that we have in fact been over-charging them; the end result is that we owe Alro Steel \$46,915.64. The City Commission is asked to approve the reimbursement of the excessive fees.

Motion by Commissioner Murphy second by Commissioner Swanson to approve the reimbursement by the adoption of resolution 2019-056. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

K. DR. KUNO HAMMERBERG BEQUEST

The City has received a very benevolent donation of \$180,000 from the estate of Dr. Kuno Hammerberg, a long-time Clare physician and resident. The only restriction on the use of the funds is that the monies be used “for the enjoyment of the citizens of Clare” - “recreational vs. educational”. Due to the extensive list of recreational needs and interests within the community, I suggest that a committee be formed to determine the best utilization of the funds to ensure the money is used for the maximum benefit of the entire community.

If the Commission agrees with the suggestion, I ask that the City Commission consider appointing a City Commissioner to chair the recommended committee and that the committee membership include the City’s Recreation Director, the City Clerk, a Planning Commission member, a Parks & Recreation Advisory Board member, and a minimum of three City residents. We also received a suggestion that a member of the Hammerberg family be invited to participate in the process of determining the use of the funds, which I believe is a good idea.

The task of the committee would be to obtain broad community input and formulate a prioritized list of uses in the form of a report due to the City Commission not later than June 30, 2019.

Motion by Commissioner Swanson second by Commissioner Bonham to establish a committee chaired by Commissioner Gus (Carolyn) Murphy for the purpose of determining best usage of bequeathed funds from Dr. Hammerberg by adoption of resolution 2019-057. Roll call vote: Yeas: Commissioners Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

8. TREASURER’S REPORT

The Treasurer presented his report.

9. *DEPARTMENT REPORTS

Approved By Consent Agenda.

10. CITY MANAGER’S REPORT

Planning Commission Meeting. The Planning Commission is scheduled to meet on May 8th. The primary task of the Commission at this meeting will be to continue its review of proposed changes to the City’s zoning codes suggested by Giffels-Webster.

MDEQ Name Change. The former MDEQ is now EGLE (The Department of Environment, Great Lakes, & Energy).

SHOPKO Closing. We’ve been notified that SHOPKO will be officially closing its doors on May 16th. There appears to be significant interest in the property. We’ve fielded calls from two potential buyers - one (a local light industrial company that has expressed its desires to relocate to Clare) of whom we’ve met with twice.

City Attorney Correspondence - Teamsters Bargaining Unit Contracts. Jaynie has sent correspondence to our Teamsters Business Representative as she has repetitively asked for a response on the remainder of minor items that need to be agreed to (some language changes and the proposed mechanic tool stipend).

Absence. I will be out of the state during the period May 15-18 attending the annual National League of Cities Risk Information Sharing Consortium meeting as a member of the MML’s Liability & Property Pool. As always, there is no cost to the City due to my attendance other than my absence; our insurance pool pays for all costs associated with attendance at this annual event. As usual, Steve will be the Acting City Manager for the duration of my absence.

11. *COMMUNICATIONS

Approved By Consent Agenda.

FOIA Requests: The most recent FOIA requests & responses were provided for informational purposes: Smart Procure, TriTerra.

East Michigan Council of Governments: We received the East Michigan Council of Governments letter of support to USDA Rural Development for City of Clare Water Systems Improvement Project.

Charter Communications: Charter has announced some new On-Demand programs along with a new fitness channel.

12. EXTENDED PUBLIC COMMENT: Jim Paetschow, owner of Tobacco Ranch, provided opinion that the city's fees for water and sewer tap-ins are too expensive and will discourage potential businesses from locating within the city. Ken Hibel, City Manager, agreed to include water/sewer buy-ins as an agenda item for the city commission later this year.

Leonard Strouse shared some uplifting history on Dr. Kuno Hammerberg and his son, Dr. Eric Hammerberg.

13. COMMISSION DISCUSSION TOPICS: None.

14. BUDGET WORKSHOP – PROPOSED FISCAL YEAR 2019-2020 BUDGET
Steve Kingsbury provided an overview of the general fund and the 'state of the city'.

14. *APPROVAL OF BILLS
Approved By Consent Agenda.

18. ADJOURNMENT
Motion by Commissioner Swanson second by Commissioner Bonham to adjourn the meeting. Ayes: All. Nays: None. Absent: None. *Motion Carried.* Meeting adjourned at 8:10 p.m.

Pat Humphrey, Mayor

Sarah Schumacher, Deputy Clerk