

MINUTES OF REGULAR MEETING OF EAST TAWAS CITY COUNCIL  
JANUARY 20, 2009

Meeting called to order by Mayor Bruce Bolen at 7:45 p.m. in the Council Chambers of the East Tawas City Hall.

Present: B. Bolen, L. Bolen, Freel, Klenow, Look and McMurray.  
Absent: Cano.

The Pledge of Allegiance was offered.

Klenow moved, Look seconded, CARRIED, to approve the agenda as presented.

There were no public comments on agenda item.

There were no public comments on non-agenda items.

Freel moved, Klenow seconded, CARRIED, to approve the minutes of the January 5, 2009 regular meeting as presented.

The following correspondence was noted: a notice of a retirement party for Dennis Frank on March 14, 2009, an invitation to tour the Iosco Historical Museum, and a letter from Wilcox in regard to Construction Engineering services for the State Street project.

The Charter Review Committee provided a memo with proposed changes to the City Charter. There were certain sections that staff has been asked to review and offer comments.

The Employee Bonus Committee reported that they met and discussed the issue but would like to meet with Don Brannan concerning the proper wording to authorize the possible use of employee bonuses instead of pay raises.

The Newman Street/Lincoln Street Intersection Committee reported that it has been working on this issue but will have a report and recommendation at a later date. Director Pasakarnis indicated to the committee members that she would like to have a decision on the intersection by the end of February.

Staff Report: City Manager Leslie reported that Becky Rivard is still finalizing the Preliminary Engineering report for improvement to the sewer system.

TIFA Director Pasakarnis reported that two rental property owners are taking advantage of the Rental Rehab Grant. Two other rental property owners did not qualify due to the income levels of the renters. She will be contacting other rental property owners who may qualify for the grant. Director Pasakarnis reported that a letter is being drafted to downtown businesses concerning the need to be careful with snow and ice removal on the new sidewalks. The letter will be jointly signed by the Tax Increment Finance Authority and the East Tawas Business Association. Director Pasakarnis also reported that contact has been made with representatives of the City of East Grand Rapids where the crosswalk pavers have been installed using the same process that will be used in East Tawas. The pavers have been in place for two winters and Bruce Buchinger from R. C. Hendrick and Son will

be checking with their Department of Public Works to see how the pavers are holding up to traffic and snow removal.

Klenow moved, Freel seconded, CARRIED, to receive the minutes of the December meeting of the Housing Commission, the December report from the Fire Department, and the minutes of the January meeting of the Tawas Police Authority, Tawas Utilities Authority, Planning Commission, Tax Increment Finance Authority and Park Board.

City Manager Leslie provided additional information on Maple Tree Apartments and the request for a PILOT program. Four individuals from the City took advantage of the tour of the apartments and were very impressed with the refurbishing. A representative from USDA was on site during the tour and indicated great support for PILOT programs. Mike Shaw and Gary Burdette were at the meeting and thanked the individuals who participated in the tour. They indicated that they are still asking for a PILOT program at 4% but understand that they will not be eligible for 2009 due to the lack of a MSHDA certification prior to November 1, 2008 and the City's existing ordinance that does not allow PILOT programs. Discussion was held concerning the request for a PILOT program for 2010 and information was provided from other cities that have PILOT programs. The lack of availability of housing for people with low to moderate income levels in East Tawas makes the PILOT program more critical than it might be in areas where ample low to moderate income housing is available. It was the consensus of the Council that it is interested in approving a PILOT program for Maple Tree Apartments but would like more time to look at the percentage of rents to be paid in lieu of taxes and also the duration of the program. Mr. Burdette and Mr. Shaw stated that if the Council does not approve a PILOT program at 4%, each additional percentage would add between \$6 and \$7 to the monthly rent for each apartment. McMurray moved, L. Bolen, CARRIED, to draft an ordinance establishing a PILOT program with the interest rate and duration of the program to be determined at a later date and for the draft ordinance to be reviewed by legal counsel. Note: Councilman Freel abstained from this vote.

Discussion on Wastewater System Improvements was postponed to the next meeting due to the fact that the Preliminary Engineering report has not been completed and provided to Council members.

Freel moved, Look seconded, CARRIED, to accept the bid from Katterman Trucking for the demolition of the unsafe structure on property owned by Gary Creed and known as 303 Lakewood Drive. Yes: B. Bolen, L. Bolen, Freel, Klenow, Look, and McMurray. Councilman Look noted that the demolition of the property should occur before the frost laws become effective.

City Manager Leslie reported that Consumers Energy is charging a fee of \$1,536 for upgrading the electrical service at the Department of Public Works to allow for recycling. A meeting will be held with the other municipalities interested in the recycling program to determine the cost sharing for this electrical upgrade and other costs of the program. Freel moved, McMurray seconded, CARRIED, to approve payment of \$1,536 to Consumers Energy for upgrading of the electrical service at the Department of Public Works property for the recycling efforts. Yes: B. Bolen, L. Bolen, Freel, Klenow, Look, and McMurray.

City Manager Leslie reported that the low bid for the State Street Improvement Project was \$157,920. This is approximately \$60,000 more than estimated four years ago. The City is eligible for a Task Force grant of \$80,000 for this project. There are not sufficient funds in the Major Street

Fund to pay for this project. City Manager Leslie explained that he is investigating other financing sources and is recommending that a decision be delayed on the project until he has had time to do additional research.

Bills and transfers having been properly presented, Look moved, Freel seconded, CARRIED, that these transactions be approved with the exception of an invoice from Bolen Trucking. Yes: B. Bolen, L. Bolen, Freel, Look, and McMurray. Abstain: Klenow.

Look moved, Klenow seconded, CARRIED, to approve payment of an invoice from Bolen Trucking. Yes: Freel, Klenow, Look, and McMurray. Abstain: B. Bolen and L. Bolen.

Look moved, McMurray seconded, CARRIED, to approve the purchase of a Simoni sound system for the Community Center at a cost of \$16,729.89. Yes: B. Bolen, L. Bolen, Freel, Klenow, Look, and McMurray.

L. Bolen moved, Freel seconded, CARRIED, to approve the amendments to the budgets for the General Fund, Major Street Fund, and Tax Increment Finance Authority Fund as presented by Clerk/Treasurer Baker.

Mayor Bolen proclaimed the week of January 25, 2009 as Holy Family Catholic School Week in the City of East Tawas.

Klenow moved, McMurray seconded, CARRIED, to approve the restatement of the City's 401 a Pension Plan as recommended by City Manager Leslie and to authorize the signing of the document by the appropriate individuals.

McMurray moved, Freel seconded, CARRIED, to authorize a check for \$1,000 to the Internal Revenue Service for an IRS determination on the City's 401 a Pension Plan. Yes: B. Bolen, L. Bolen, Freel, Klenow, Look, and McMurray.

TIFA Director Pasakarnis reported on the work of Develop Iosco Inc. and the second annual Summit that was held last week. L. Bolen moved, Klenow seconded, CARRIED, to pay the 2009 dues for Develop Iosco, Inc. in the amount of \$200. Yes: B. Bolen, L. Bolen, Freel, Klenow, Look, and McMurray.

Director Pasakarnis reported on the Port of Call study. The committee is providing \$30,000 in in-kind services as matching funds for the grant. The Request for Proposals (RFP) for engineering services for the study has been completed and Director Pasakarnis is waiting for approval from the Council before the RFP is sent to engineering firms. She will email the document to the Council and Council members will respond by email. Director Pasakarnis reported that the committee is beginning to approach cruise ship lines. She indicated that her research has shown that membership in Great Lakes Cruising Coalition may be the only way to get cruise ships to include East Tawas on their schedule. All ports that have been successful in attracting cruise ships have been members of the Coalition. The annual dues are \$3,500. Dave Wentworth would like to apply for a \$1,000 grant from the Iosco Community Foundation to help pay for the dues. Director Pasakarnis reported that she will be meeting with the Tourist and Convention Bureau to ask them for \$1,000 toward the dues. She requested that the Council agree to pay \$1,500 for the balance of the dues and asked if the City

could be named as the applicant grantee for the Iosco Community Foundation grant. Discussion was held on the practicality of joining the Coalition and trying to attract cruise ships before the results of the feasibility study are received. Director Pasakarnis reported that all indications are that the dock is suitable for cruise ships and she expects a positive feasibility study. Council members questioned if dues can be prorated based on the months of membership. Director Pasakarnis will research this option.

Freel moved, McMurray seconded, CARRIED, to approve the submission of a grant application to the Iosco Community Foundation for \$1,000 toward the membership dues for the Great Lakes Cruising Coalition for 2009 with the City of East Tawas as the applicant grantee with the understanding that the grant would be returned to the Iosco Community Foundation if the results of the feasibility study report are not favorable or feasible as determined by the Council and authorizing City Manager Leslie to sign the grant application on behalf of the City and further agreeing to pay \$1,500 toward the total membership fee of \$3,500, again based on the favorable feasibility study and further contingent on the remaining \$1,000 of the membership fee being funded from other sources. Yes: B. Bolen, L. Bolen, Freel, Klenow, Look, and McMurray.

Director Pasakarnis asked the Council to look at the two additional stop signs that were installed at the Washington Street/Newman Street intersection with poles that do not match the aluminum poles on the other two stop at that intersection. She also presented costs for replacing the signs and poles with matching signs and poles. This item will be placed on the agenda for the next meeting.

City Manager Leslie reported that interviews for the position of Chief of Police will be conducted from 1:00 p.m. to 4:00 p.m. on Thursday, January 29<sup>th</sup>. City Manager Leslie also reported that the presentation by Gordon Graham on Saturday, January 17<sup>th</sup> was excellent.

Councilman Freel requested that Don Wortman be asked to review the Charter for other possible changes.

Councilman McMurray requested that Waterfront Building Committee report be added to the agenda for the next meeting.

Mayor Bolen appointed Councilmen Look and Cano to an Overtime Scheduling Committee to work with City Manager Leslie on options to avoid overtime for the Department of Public Works employees.

Meeting adjourned at 10:06 p.m.

Blinda A. Baker  
Clerk/Treasurer