

The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the Commission Chambers by Mayor Pat Humphrey who led with the Pledge of Allegiance. Present were: Commissioners Bob Bonham, Pat Humphrey, Karla Swanson, Jean McConnell and Carolyn (Gus) Murphy. Also present were Ken Hibl, City Manager; Steve Kingsbury, City Treasurer; Diane Lyon, City Clerk.

2. CONSENT AGENDA:

Moved by Commissioner Swanson second by Commissioner Murphy to approve the items listed with an asterisk (*) (Agenda, Minutes as amended, Communications, Second Reading of Ordinance 2018-008, Board & Committee Appointments 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.

4. *APPROVAL OF AGENDA:

Approved By Consent Agenda.

5. PUBLIC COMMENT: County Clerk Lori Martin provided a quarterly report to the Commission for her office activities.

6. UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

**A. SECOND READING & ADOPTION OF ORDINANCE 2018-008
(RECREATIONAL MARIHUANA)**

Subsequent to holding a public hearing at its regularly scheduled meeting of October 15, 2018 the Clare City Commission considered and approved a first reading of proposed ordinance Ordinances 2018-008 incorporating changes to the City's Ordinance Codes to allow the "opt-out" of the provisions of the Michigan Regulation & Taxation of Marihuana Act (MRTMA) and therefore prohibiting the commercial sale of recreational marihuana within the geographical boundaries of the City of Clare should Proposal 18-1 be approved by the Michigan electorate on November 6, 2018.

The City Commission is the approval authority of all ordinance code changes or amendments. And all ordinances require two readings and a public hearing conducted by the City Commission before the City Commission can consider an ordinance for adoption. We ask the City Commission to allow a Second Reading of the proposed ordinance amendments and subsequently approve Ordinances 2018-008 for incorporation to the City's Ordinance Codes.

Motion by Commissioner Swanson second by Commissioner Murphy to approve Ordinance 2018-008 by adoption of Resolution 2018-128. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

B. ADOPTION OF LOCAL PAVEMENT WARRANTY PROGRAM

As reflected in the attached Michigan Municipal League correspondence, the Michigan Legislature created a requirement for all local road agencies in Michigan to adopt a Local Pavement Warranty Program that meets the guidelines and standards of the Michigan Department of Transportation (MDOT). The warranty program must be adopted state-wide by all municipalities by September 18, 2019.

The warranty program is somewhat ludicrous for small communities like Clare as it is highly unlikely and almost assuredly improbable that we will ever have a road project wherein the asphalt or pavement costs alone will exceed \$2M. But we must nevertheless adopt the warranty program or face potential penalty by the state, to include probable withholding of Act 51 funding as we are required under the terms of the state legislation to report all road projects to MDOT and provide assurance in doing so that we have adopted a pavement warranty program.

To assist MML members in complying with this bureaucratic and somewhat senseless process, they have provided sample formats for the two required resolutions. We ask that the City adopt those resolutions to comply with the new state mandate.

Motion by Commissioner Bonham second by Commissioner Swanson to approve the Local Pavement Warranty Program by adoption of Resolution 2018-129 and Resolution 2018-130. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

C. APPROVAL OF DEPOT INVOICE

The City has received an invoice from Design Builders for construction services for the Clare Depot Project. Prior to July 1, 2018, the MidMichigan Community Action Agency (MMCAA) served as the fiduciary for all depot financial transactions. All remaining funds raised by the Depot Committee for the rehabilitation of the Clare RR Depot and maintained by MMCAA on behalf of the City were transferred to the City at the commencement of the City's 2018/2019 fiscal year. Consequently, the City Commission is now the approval authority of this and any remaining future invoices to be paid related to the depot project. The City Commission is asked to authorize the expenditure of funds to pay this invoice.

Motion by Commissioner Murphy second by Commissioner McConnell to approve the payment of the Design Builders invoice by adoption of Resolution 2018-131 Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

D. CHARITABLE GAMING LICENCE-CLARE WRESTLING CLUB

The Clare Wrestling Club has requested that the City Commission consider adopting a Resolution enabling them to apply for the issuance of a state Gaming License, thereby allowing their organization to conduct various fund raising events to support the community wrestling program.

Motion by Commissioner McConnell second by Commissioner Swanson to approve the Charitable Gaming License by adoption of Resolution 2018-132 Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

E. FORMATION & APPOINTMENT OF ART ALLEY GOVERNING BOARD

Art Alley, as it is locally and affectionately referred to today by the majority of Clare's local residents and business community, by the Clare Area Chamber of Commerce, by the Clare County Arts Council, by the Clare DDA, and by the City Staff, had its humble beginnings nearly a decade ago when Kim Kleinhardt, the proprietor of the 515 Gallery, invited the community to donate trinkets and personal items to be incorporated into a mosaic she applied to the alley (west) facade of her McEwan Street building in downtown Clare using young, local artists to complete the design and application of the mosaic. Since then one art project after another - typically one each year - has been added to the alleyway. The Clare Selfies Mosaic, the Bunt Pan/Cake Pan Project, the License Plate Project, the Flower Garden Project, the addition of Humpty Dumpty, the Traveling Piano Project, and most recently Jim Best's Flight of Canadian Geese Project have been among those annual art projects and have collectively created a unique, one-of-a-kind, outdoor art venue in downtown Clare.

A number of the downtown businesses have, on their own, contributed to the advancement and promotion of Art Alley, e.g., Cops & Doughnuts has provided the alleyway facades of their four downtown buildings as a blank canvas for past and future art projects; the Evening Post has added its open-air garage door addition that looks onto the alleyway and brings the alleyway art environment into the tavern; and the Heart of Michigan Cafe has added outdoor alleyway seating. The alleyway has become a popular visitor's attraction and has contributed to the ambiance of the City's downtown. MEDC community development staff members have photographed it and are using it as a representative, successful example of incorporating art in a downtown setting to other Michigan communities.

Kim Kleinhardt has been the primary catalyst and organizer for promoting and advancing Art Alley. She has expressed her desire and intent to remain involved as a consultant for Art Alley, but has approached the Chamber of Commerce, the Arts Council, and the DDA and asked each entity that they take on the management aspects of this intriguing venue. All of the aforementioned entities have willingly offered to remain active participants in the continued expansion and development of Art Alley, but all have declined to accept management responsibility of Art Alley. Without an entity stepping up and taking oversight and management responsibility, Kim will likely withdraw from active participation, and this great alleyway project will stagnate and not achieve its full potential to become the outstanding community asset it can be.

The City is the only local governmental entity that has the ability and the assets to bring together the DDA, the Clare Area Chamber of Commerce, and the Arts Council to provide the management element that is needed to continue the advancement of Art Alley. Consequently, I ask that the City Commission use the model it is using for oversight of the Clare Depot and appoint a governing board comprised of membership of the DDA, the Chamber, the Arts Council, a representative(s) of the downtown business community, and Kim to continue in the consultant role she has offered. I further recommend that the City Commission appoint one of its seated members to serve as the chairperson of the governing board and use the city manager and designated staff members to provide administrative support to the board. As an alternative to a seated commissioner serving as the chairperson of the governing board, I recommend the Commission appoint its city manager to serve in this role. Shari Buccilli of the Clare DDA and the current respective presidents of the Chamber of Commerce and Arts Council have agreed to serve as representatives of those respective entities. Greg Rynearson has offered to serve as a downtown business owner representative.

Motion by Commissioner Bonham second by Commissioner Swanson to appoint an Art Alley Governing Board, the composition of the Board to be comprised as outlined in Resolution 2018-133 with Commissioner Murphy serving as Chair. Roll call vote: Yeas: Commissioners Bob Bonham, Jean McConnell Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

F. 2019 POVERTY EXEMPTION STANDARDS

Public Act 390 of 1994 requires each governing body to approve a Poverty Exemption Application to be administered by the municipalities appointed Board of Review. Furthermore, Public Act 390 requires the governing body to annually approve income levels for the Board of Review to follow in their review of property tax poverty exemption applications from owners of residential properties. Public Act 390 along with other applicable bulletins and regulations from the State Tax Commission provide the federal poverty income levels, the required asset tests and other procedural requirements for the poverty exemption application.

The City's Assessor, Mrs. Edie Hunter, has prepared the Poverty Exemption Application for 2019 including the federal poverty levels to be used by the Board of Review. Mrs. Hunter will assist the City of Clare's Board of Review in their consideration of applications under the provisions of Public Act 390 to insure compliance.

Motion by Commissioner Swanson second by Commissioner Murphy to approve the Poverty Exemption Application and Income Levels for the upcoming calendar year as required by state law by adoption of Resolution 2018-134. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

G. WASTE HAULER PERMIT APPLICATION-FAIR WASTE SERVICES

Sections 36-33 and 36-37 of the Ordinance Codes of the City of Clare outline licensing requirements for collectors of solid waste material within the City of Clare. The City has received an application from Fair Waste Services (AKA Fair Salvage) to provide commercial and other "umbrella" solid waste services within the City. Fair Waste Services is a Clare area-based company well-known to the City. This company

meets all the City's requirements for license application and permit issuance. The City Commission is asked to consider approving the application.

Motion by Commissioner McConnell second by Commissioner Murphy to the Waste Hauler Permit Application by adoption of Resolution 2018-135. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

H. NATIONWIDE 457 PLAN AMENDMENT

The City of Clare provides voluntary deferred compensation options for its employees to save for their retirement and other related financial needs. Currently the City has contractual agreements with three firms for these services: the Municipal Employees' Retirement System of Michigan (MERS); Nationwide; and The Standard.

Recently Nationwide informed the City that they are as of January 1, 2019 changing the Guaranteed Minimum Interest Rate (GMIR) on their Fixed Income Account which is one of 40 investment options available to our employees. Currently the minimum contractual interest rate that is guaranteed to be paid on this investment option is 3.50%. It is important to note at this point that Nationwide pays interest on the Fixed Income Account using a quarterly determined Crediting Rate which is based upon market conditions and is equal to or greater than the GMIR.

Nationwide is offering three options for this change as outlined within the enclosed correspondence and plan amendment documents. In summary these options are as follows:

- Option 1 - the GMIR will be reduced by Nationwide over a five-year period to .50%.
- Option 2 - the same reduction in the GMIR will be implemented; the allowed annual transfer out of the fixed income account will be increased from 20% to 40%; and as a result of the increased transfer out option the Crediting Rate will be reduced to a rate that is less than what will be provided under Option 1, currently that reduction is .1%.
- Option 3 - the current Fixed Income Account will be closed to new participants, no additional contributions will be allowed and a new Fixed Income Account will be available with an initial Crediting Rate of 1.2% and a GMIR of .5%.

Motion by Commissioner Bonham second by Commissioner McConnell to approve Option 1 Nationwide Deferred Compensation Amendment by adoption of Resolution 2018-136. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*

I. *BOARD & COMMITTEE REAPPOINTMENTS-DOWNTOWN DEVELOPMENT AUTHORITY- MS. MEAGAN JENKINS

Adoption of Resolution 2018-137 Approved by Consent Agenda.

I. *BOARD & COMMITTEE REAPPOINTMENTS-TREE ADVOCACY GROUP-MS. JEANNE SHELANDER

Adoption of Resolution 2018-138 Approved by Consent Agenda.

I. *BOARD & COMMITTEE REAPPOINTMENTS-LOCAL DEVELOPMENT FINANCE AUTHORITY-MS. GUS MURPHY

Adoption of Resolution 2018-139 Approved by Consent Agenda.

L. *BOARD & COMMITTEE REAPPOINTMENTS-ZONING BOARD OF APPEALS-MS. CHERYL YESNEY

Adoption of Resolution 2018-140 Approved by Consent Agenda.

8. TREASURER'S REPORT

The Treasurer presented his report.

9. CITY MANAGER'S REPORT

Planning Commission Meeting. The Planning Commission is scheduled to meet on November 14, 2018 to consider a Special Use Permit of Mr. Jim Paetschow to allow the keeping and maintaining of horses at Tobacco Ranch.

Potential for Redevelopment Ready Community (RRC) Grant. We are engaged in discussions with MEDC regarding a grant opportunity to totally revamp our zoning ordinance codes. We can only use vendors that they have been certified for this process. MEDC has provided us a proposal from one of their approved vendors. The grant would likely be a 50/50 grant - thus committing the City to a local match of just under \$25K. We will likely make a recommendation to the City Commission whether to proceed (and at what level) at the November 18th City Commission meeting.

DPW Full-Time Employee. We must make to make a decision whether we will convert the current temporary part-time position that we brought on to assist with our water pressure issues this summer at the November 18th meeting as well; our current agreement with our Teamsters representatives is that the position will be eliminated in mid-November.

Scheduled Events. The following g special events have been announced for downtown Clare in November & December: Mad Hatter Tea Party on November 18th and the downtown Christmas event on December 2nd. For 2019 there are two new events in the preliminary planning stages: the organizers of the formerly very successful BrewFest are planning to bring the event back to downtown Clare in April; Clare has been selected as an overnight stop on June for the Back-to-the-Bricks Ambassador Tour.

Supplemental Airport Proposal. We were provided an opportunity to apply for surplus/supplemental federal airport grant funding to rehabilitate Runway 04/22 at the Clare Municipal Airport. If we receive supplemental appropriation, it will allow us to advance other capital projects scheduled for the airport. We are competing nationally, so the odds of receipt are marginal - but worth the time and effort it took to apply.

Absence. I am scheduled for oral surgery on Nov 7th thus will be out of the office commencing on noon on Nov 6th thru the end of the week.

10. *COMMUNICATIONS

FOIAs. The most recent requests and responses are attached: SmartProcure.

SOS Media Release. The Secretary of State reminds registered voters to cast their ballot in the Tuesday, November 6 general election.

State Tax Commission Notice. The State has provided notice of the Inflation Rate Multiplier for use in the 2019 capped value formula and the "Headlee" Millage Reduction Fraction (MRF) formula.

The Leading Edge Newsletter. The Michigan Municipal League (MML) provides an informative newsletter with upcoming events and hot topics for municipalities.

MML/Meadowbrook Insurance Property Claim Denial. The city's insurance carrier provided the attached letter of response regarding a claim for property damage to a commercial semi-truck.

Charter Cable Programming Change. Charter Cable has provided notice of a change in their channel line-up.

Michigan Public Service Commission Consumer Tips. The MPSC offers a guide for consumers to file video/cable complaints.

Central Michigan District Health Department Notice re: Landfill VOC Water Sampling
The city received notice from the CMDHD regarding test results of water samples taken from properties near the Hatton Township landfill.

Clare Public Schools-Notice of Board Resignation. Clare Public Schools provided notification of Mr. Kirk Yats resignation from the School Board. Mr. Robert Jason MacDonald was selected and appointed to serve as an Interim Board member for the remainder of the term which expires in November 2020.

Clare Public School Second Grade Students Tour of the City. The annual second grade tour of city facilities was a smashing success. As part of the tour Teacher-Field Trip Coordinator, Tonia Miller provided some of the written student's questions to city staff. The questions and staff answers are attached for your reading pleasure.

Pastor Connie Bongard-Thank you Note. Pastor Bongard sent a thank you to the city in relation to the Clare Depot Ribbon Cutting event.

11. EXTENDED PUBLIC COMMENT: None.
12. COMMISSION DISCUSSION TOPICS: Commissioner Bonham had concerns regarding enforcement of Ordinance Codes and the unauthorized use of facilities at Brookwood Park. Commissioner McConnell requested authorization for remote attendance for some City Commission meetings; City Attorney Hoerauf will review the legality for remote attendance and provide that information to the Commission.
13. *APPROVAL OF BILLS
Approved By Consent Agenda.
14. CLOSED SESSION-LABOR NEGOTIATIONS
15. APPROVAL OF CLOSED SESSION MINUTES
Motion by Commissioner Murphy second by Commissioner Swanson to approve the Closed Session Minutes. Roll call vote: Yeas: Commissioners Bob Bonham, Jean McConnell Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson. Nays: None. Absent: None *Motion Carried.*
16. ADJOURNMENT
Motion by Commissioner Murphy second by Commissioner McConnell to adjourn the meeting. Ayes: All. Nays: None. Absent: None. *Motion Carried.* Meeting adjourned at 7:50 p.m.

Pat Humphrey, Mayor

Diane Lyon, City Clerk