

June 24<sup>th</sup>, 2019

Mayor Pro Tem Sharrard opened the regular meeting of the Gaylord City Council with a prayer by Council Member Wishart at 7:00pm on Monday June 24th, 2019, in the City Council Chambers, located in the Gaylord City Hall, 305 East Main Street, Gaylord, Michigan. The Pledge of Allegiance followed the invocation.

Members Present: Wishart, Sharrard, Johnson, Ouellette, Hartz and Witt.

Members Absent: Jenkins

Motion by Hartz, supported by Wishart to add Gary Waldo's sign request to the agenda as item number six.

Ayes: Unanimous. Motion carried

Motion by Hartz, supported by Witt to dispense with the reading of the minutes of the June 10<sup>th</sup>, 2019 city council meeting and accept them as presented.

Ayes: Unanimous. Motion carried.

Motion by Witt, supported by Hartz to excuse Mayor Jenkins from tonight's meeting.

Ayes: Unanimous. Motion carried.

Upon motion duly made by Ouellette and seconded by Wishart it was resolved that Tax Exemption Ordinance No. 4, originally effective April 13, 2003, and amended effective November 28, 2004, August 13, 2006, August 16, 2009, January 31, 2010, February 12, 2012, November 26, 2013, and August 16, 2015, would be amended in the following particulars, to-wit:

Section 5 thereof, being Ordinance Section number 12.805 of said Ordinance is hereby amended to read as follows:

"12.805Sec. 5. **ESTABLISHMENT OF ANNUAL SERVICE CHARGE.**

Each phase of the Housing Development and the property on which the same shall be constructed shall be exempt from all property taxes from and after the year each such phase of the project is placed into service as evidenced by a Certificate of Occupancy from the appropriate building official. The City, acknowledging that the Sponsor and the Authority have established or will establish the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all property taxes and a payment in lieu of taxes as established in this Ordinance, and in consideration of the Sponsor's proposal, subject to receipt of an allocation under the LIHTC Program, to construct, own and operate the Housing Development, hereby agrees to accept payment

of an annual service charge for public services in lieu of all property taxes. The annual service charge for Phase I of the Housing Development shall be a sum equal to eight and one-half (8 ½%) percent of the Annual Shelter Rents actually collected and shall commence in the first year following issuance of the final Certificate of Occupancy for Phase I of the Housing Development. The annual service charge for Phase II of the Housing Development shall be a sum equal to eight and one-half (8 ½%) percent of the Annual Shelter Rents actually collected and shall commence in the first year following issuance of the final Certificate of Occupancy for Phase II of the Housing Development. The annual service charge for Phase III of the Housing Development shall be a sum equal to four (4%) percent of the Annual Shelter Rents actually collected and shall commence in the first year following issuance of the final Certificate of Occupancy for Phase III of the Housing Development. After the applicable period of the service charge for each phase has expired, the exemption from taxation provided in Section 15a of the Act and the service charge in lieu of taxes provided by this Ordinance for each phase of the Housing Development shall no longer apply to such phase of the Housing Development and the property shall thereafter be subject to regular ad valorem property taxes."

Section 9 thereof, being Ordinance Section number 12.809, is hereby amended to read as follows:

"12.809Sec. 9. **DURATION.**

The service charge in lieu of taxes provided by this Ordinance for Phase I and Phase II of the Housing Development shall remain in effect for a period of twenty-one (21) years after the Certificate of Occupancy for Phase II of the Housing Development was issued by the appropriate officials. The service charge in lieu of taxes provided by this Ordinance for Phase III of the Housing Development shall be in effect for a period of thirty-five (35) years after the Certificate of Occupancy for Phase III of the Housing Development was issued by the appropriate officials. The service charge as to any such phase of the Housing Development shall be in effect only for so long as such phase of the Housing Development remains subject to income and for so long as such phase of the Housing Development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended."

This Amended Ordinance was duly adopted by the affirmative vote of six members of the City Council, and shall become effective twenty days after enactment as provided in the City of Gaylord Charter.

Undersheriff Tim Cook from Cheboygan County and Detective Lieutenant Ken Mills from the Michigan State Police gave a presentation to the Council and public in regards to the work that is performed by the Straits Area Narcotics Enforcement (SANE) organization.

Motion by Ouellette, supported by Witt to direct the Mayor to form an Ad Hoc Committee to address the abilities of the City of Gaylord to address the need of more manpower for the SANE organization.

Ayes: Unanimous. Motion carried.

Motion by Johnson, supported by Witt to approve the Solicitation Permit for the Ladies Auxiliary Military Order of the Purple Heart for August 29<sup>th</sup>, 30<sup>th</sup>, and 31<sup>st</sup> 2019.

Ayes: Unanimous. Motion carried.

Motion by Hartz, supported by Witt to approve the 2019 Poverty Exemption Policy and Guidelines.

Ayes: Unanimous. Motion carried.

Motion by Witt, supported by Johnson to approve the following budget adjustments for the 2018.19 fiscal year.

GL NUMBER	DESCRIPTION	ORIGINAL BUDGET	TOTAL AMENDED BUDGET
101-101-860.00	Expenses & Education	\$5,000	\$5,550
101-172-714.00	Fringe Benefits	\$23,500	\$24,500
101-215-702.00	Salaries	\$26,500	\$30,500
101-215-714.00	Fringe Benefits	\$11,750	\$14,450
101-215-860.00	Expenses & Education	\$3,000	\$5,500
101-248-727.00	Office Supplies	\$40,000	\$43,000
101-253-714.00	Fringe Benefits	\$6,000	\$7,000
101-253-818.00	Contractual Services	\$1,500	\$2,500
101-257-818.00	Contractual Services	\$122,500	\$125,500
101-262-702.00	Salaries	\$6,000	\$8,000
101-262-714.00	Fringe Benefits	\$1,500	\$2,000
101-262-900.00	Publishing	\$300	\$400
101-265-818.00	Contractual Services	\$21,500	\$36,500
101-265-920.00	Utilities	\$20,000	\$21,000
101-269-702.00	Salaries	\$30,000	\$35,000
101-269-818.00	Contractual Services	\$6,500	\$14,500
101-269-920.00	Utilities	\$5,300	\$8,300
101-269-956.00	Miscellaneous	\$100	\$107,100
101-276-927.00	Water Utility	\$5,000	\$6,600
101-301-714.00	Fringe Benefits	\$455,000	\$485,000
101-301-934.00	BUILDING OPERATIONS/MAINTENANCE	\$42,600	\$52,600
101-441-776.00	Building Maintenance	\$10,000	\$124,000

101-441-923.00	Gas Utility	\$8,000	\$18,500
101-441-927.00	Water Utility	\$800	\$850
101-441-940.00	Equipment Rental	\$5,200	\$7,200
101-442-702.00	Salaries	\$7,500	\$10,500
101-442-714.00	Fringe Benefits	\$2,175	\$3,375
101-443-775.00	Materials	\$4,400	\$8,000
101-443-940.00	Equipment Rental	\$12,500	\$15,500
101-444-818.00	Contractual Services	\$18,000	\$21,200
101-448-775.00	Materials	\$4,000	\$8,000
101-546-702.00	Salaries	\$35,000	\$38,000
101-910-702.00	Salaries	\$46,000	\$49,000
101-958-880.01	Alpenfest	\$7,000	\$7,500
101-958-880.10	Tree Commission & Beautification	\$10,000	\$14,000
202-463-702.00	Salaries	\$10,000	\$22,000
202-463-714.00	Fringe Benefits	\$6,250	\$11,250
202-463-940.00	Equipment Rental	\$16,000	\$34,500
202-474-702.00	Salaries	\$1,000	\$2,000
202-474-714.00	Fringe Benefits	\$600	\$700
202-478-775.00	Materials	\$25,000	\$27,000
202-478-940.00	Equipment Rental	\$45,000	\$46,000
202-482-702.00	Salaries	\$9,500	\$11,500
202-482-714.00	Fringe Benefits	\$6,750	\$8,150
202-488-702.00	Salaries	\$300	\$2,300
202-488-714.00	Fringe Benefits	\$200	\$2,200
202-488-940.00	Equipment Rental	\$4,500	\$7,000
202-491-940.00	Equipment Rental	\$500	\$550
202-494-702.00	Salaries	\$300	\$800
202-494-714.00	Fringe Benefits	\$200	\$700
202-497-940.00	Equipment Rental	\$40,500	\$42,500
202-498-940.00	Equipment Rental	\$1,500	\$5,500
203-463-702.00	Salaries	\$12,000	\$21,500
203-463-714.00	Fringe Benefits	\$7,500	\$10,500
203-463-775.00	Materials	\$8,000	\$13,500
203-463-940.00	Equipment Rental	\$19,250	\$35,250
203-474-818.00	Contractual Services	\$8,000	\$21,000
203-478-940.00	Equipment Rental	\$50,000	\$55,500
204-452-818.00	Contractual Services	\$1,596,550	\$1,746,550
494-902-740.00	Operating Supplies	\$12,500	\$28,500
494-902-740.02	OPERATING EXPENSES - DMA	\$4,000	\$12,000
494-902-940.00	Equipment Rental	\$10,250	\$15,750
590-548-702.00	Salaries	\$315,000	\$322,000
590-548-818.00	Contractual Services	\$130,000	\$150,000
590-548-860.00	Expenses & Education	\$3,000	\$3,100

590-548-920.00	Utilities	\$140,000	\$161,000
590-548-965.00	Contributions to Other Funds	\$22,500	\$122,000
590-895-702.00	Salaries	\$27,500	\$36,500
590-895-714.00	Fringe Benefits	\$11,000	\$12,500
591-556-702.00	Salaries	\$156,000	\$182,000
591-556-714.00	Fringe Benefits	\$106,000	\$123,000
591-556-818.00	Contractual Services	\$180,000	\$230,000
591-556-965.00	Contributions to Other Funds	\$50,000	\$99,000
661-930-702.00	Salaries	\$97,500	\$107,000
661-930-714.00	Fringe Benefits	\$80,000	\$87,500
661-930-751.00	Oil & Fuel	\$40,000	\$45,000
661-930-758.00	Uniforms	\$750	\$1,250

Ayes: Unanimous. Motion carried.

Motion by Ouellette, supported by Hartz to allow The Community Orchestra to place a sign on the City's North Otsego property twice a year (once in the spring and once in the fall) for two weeks prior to their events; contingent on the City Attorney's review that it does not violate the Sign Ordinance.

Ayes: Unanimous. Motion carried.

No other business was presented and the meeting was adjourned at 8:17 p.m.

Kim Awrey, City Clerk

Todd Sharrard, Mayor Pro Tem