

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Monday, October 5, 2015 – 7:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

The meeting was called to order at 7:00 p.m. by Mayor Gabe Campbell.

I. Pledge of Allegiance

II. Roll Call of Members Present

Mayor: Gabe Campbell
City Manager: Mark Heydlauff
City Clerk: Joyce Golding
Council Members Present: Shane Cole, Shirley Gibson, Luther Kurtz, Leon Perron, Jeff Porter, Bill Supernaw
Absent: None

III. Inquiry Regarding Possible Conflicts of Interest

None.

IV. Consent Agenda

The following items were approved and filed:

- A. Approval of Minutes – September 21, 2015 Regular Meeting Minutes
- B. Special Accounts Payable Check Register – September 17, 2015
- C. Special Accounts Payable Check Register – September 22, 2015
- D. Regular Accounts Payable Check Register – October 6, 2015
- E. ACH Payments – September 21, 2015 – September 25, 2015
- F. Payroll Check Register – September 25, 2015
- G. Payroll Transmittal – September 25, 2015
- H. Tax Disbursement – October 6, 2015
- I. Mayor Proclamations – National Disability Employment Awareness Month, Island Airways, The Clothing Company
- J. Shade Tree Commission Resignation – Jessica Spencer
Motion by Councilmember Cole, second by Councilmember Gibson, to accept the resignation of Jessica Spencer from the Shade Tree Commission.

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw
Nays: None
Absent: None

V. Public Hearings

A. Public Hearing – Donation Acceptance Policy

Interim Planner Panoff reported that the Donation Acceptance Committee convened to establish a policy for individuals and organizations wishing to donate to the City. A summary of the Committee's recommendations is as follows:

- Created a predefined list of acceptable projects or programs for potential donors with periodic review.
- Appoint a point of contact between the donor and the City.
- Continue the "memorial" bench program in conjunction with the Planning Commission to establish locations for the benches. The donation of tables similar to the bench program should be included. Other small scale items such as bike racks should not be allowed.
- Consideration should be given to establishing a "donor wall" and minimum donation amounts.
- Memorial plaques or naming opportunities should be considered for significant donations.
- Veteran/military memorials should be reviewed on a case-by-case basis.
- The City should publically recognize all donors.

After discussion at the September 21st Council meeting, City Manager Heydlauff suggested the scheduling of a public hearing to offer another opportunity for public comment.

City Manager Heydlauff mentioned that Michelle Rick-Biddick had a question with regards to replacing or improving bike racks near the marina and wanted to know how Council felt about this. Mayor Campbell responded that Council could look at this issue.

Mayor Campbell opened the item to public comment.

CED Director Doyle indicated that bike racks are a popular donation item. She suggested that the Main Street design team would be a source to create a design concept acceptable to everyone and that the City could direct where the bike racks would be placed.

The item was closed to the public.

B. Public Hearing – Food Trucks in Downtown Charlevoix

City Manager shared general background information regarding food trucks in Charlevoix. Currently, food truck vendors are required to obtain a business license from the City Clerk as well as permission from the property owner where the truck will be located. If the food truck wants to operate during a City event such as Venetian or Apple Fest, the vendor must obtain permission from the event coordinator. He discussed items in the agenda packet regarding how other communities handle food vendors and proposed specific areas where food vendors would not be allowed. City Manager Heydlauff recommended thorough research and ample discussion before taking further action and stated that Staff had no recommendation at this point.

Mayor Campbell opened the item to public comment.

Terry Left, downtown restaurant owner, submitted a letter dated October 1, 2015, which in summary stated "I don't disapprove of the food trucks being downtown during Venetian, just on a permanent basis where it would affect the 17 restaurants and their many employees. We have a lot of very good restaurants in town now, why should we risk destabilized even just one of them, much less all of them."

Arch Wright, downtown property owner, submitted a letter dated September 29, 2015 recommending that in the City's "deliberations regarding food trucks, please keep in mind the viability of existing, tax paying operations."

Sherry Jones, Charlevoix resident who works for a restaurant that uses a food truck, suggested that food trucks should be local vendors. She explained that several employees are involved with food trucks and felt that food trucks should be encouraged. She mentioned that "Pigs Eatin' Ribs" provided a food truck for the Trout Tournament and donated to the community. Ms. Jones would like to see food trucks in Charlevoix, perhaps in a designated area that is easily accessible.

Del Terrell, taxpayer, suggested a finite number of licenses for a substantial fee and recommended liability insurance and background checks. He suggested that local establishments be given preference when requesting licenses.

Vi Keller, Scovies owner, sees a negative impact on brick and mortar establishments from food trucks. She stated that the busy summer months are necessary to sustain year round businesses through the winter and allowing food trucks would impact this important source of revenue.

Phil Parr, Round Lake Group, supports the idea of food trucks during high volume events. He also expressed concern regarding the placement of food trucks and suggested they be located in a neutral location as not to affect restaurants.

City Manager Heydlauff explained the current City business licensing process to clarify fees and operational limitations. The Police Department monitors the activity of temporary merchants such as food trucks to ensure compliance.

Julie Mann, Smoke on the Water owner, shared the history of her business and the challenges that her restaurant faced during Venetian Festival with the Bridge Street closure limiting foot traffic. She also shared her experience with food trucks on New Year's Eve and how it affected her business. Ms. Mann felt that a food truck court would not be good for brick and mortar restaurants.

Adam Kline, Pigs Eatin' Ribs owner, described his restaurant, food trucks and catering business and his donations to the community. Mr. Kline felt that not having food vendors at large events would affect attendance. He would like to keep his business in Charlevoix.

Kirby Dipert, downtown business owner, indicated that his heart is with the brick and mortar restaurants. He stated "Is it the American way to attempt to legislate out the competition or someone else's opportunity to build a business?" Mr. Dipert reasoned that the City should create a policy that is fair and equitable for everyone.

The item was closed to the public.

Councilmember Gibson suggested that a joint study committee be created with restaurant owners, food vendors and other stakeholders to find solution(s) to appease both sides. City Manager Heydlauff noted that members of the DDA or Planning Commission may be interested in joining the committee as well and the mayor concurred with this suggestion.

Councilmember Porter requested a list of cities that do not accept food trucks. City Manager Heydlauff will address this request.

Mayor Campbell stated that Council needs to find a solution that is acceptable to everybody and suggested a special meeting.

Councilmember Perron asked the mayor if Council could establish a study committee and have further discussion at the committee level with recommendations to Council. City Clerk Golding affirmed that Council was permitted to establish a committee.

Interim Planner Panoff believed that food trucks could not be banned.

Councilmember Supernaw noted that the sample city ordinances in the packet were quite extensive. He confirmed that some food vendors operate year-round.

City Manager Heydlauff suggested continuing the discussion at a regularly scheduled Council meeting. He will create an agenda item for the next meeting which will include the possibility of establishing a study committee. City Manager Heydlauff will make a public announcement requesting that citizens who wish to participate on the proposed study committee submit a letter of interest.

VI. Reports

Mayor Campbell noted that there will be a Council work session on October 8th to tour the airport and another work session on October 13th to discuss City goals for the next fiscal year. City Manager Heydlauff stated that a joint DDA/Council meeting is tentatively scheduled for November 23rd.

City Manager Heydlauff thanked everyone for participating in the downtown clean up on October 3rd. He congratulated Island Airways and The Clothing Company for their many years in Charlevoix.

Interim Planner Panoff indicated that a public hearing was required as one of the steps to establish the Earl Young Historic District consistent with the Standing Historic District Study Committee. This hearing will be held at the next Council meeting on October 19th.

VII. Requests, Petitions and Communications and Actions Thereon

A. 2014-15 Fiscal Year Financial Audit Presentation

Annette Eustice, CPA with Rehmann Robson, presented the findings of the City's financial audit year-ended March 31, 2015. Ms. Eustice also discussed a general overview of the financial health of the City. She clarified several items for Council including Airport grants and the fact that the Airport posted approximately \$60,000 in profit in the last fiscal year.

Mayor Campbell opened the item to public comment.

Del Terrell questioned Ms. Eustice regarding grant revenue at the Airport. She reiterated that the Airport made \$60,000 and stated that there is no formal repayment document for borrowing between funds and recommended that an agreement be drawn up.

City Manager Heydlauff confirmed that the transfer of funds to the Airport was approved by Council back in 2011.

The item was closed to the public.

Motion by Councilmember Gibson, second by Councilmember Kurtz, to approve the 2014-15 fiscal year audit.

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw

Nays: None

Absent: None

B. Marion Center Sewer Line Connection

A property owner on Marion Center Road has requested to tie into the City-owned sewer main in the front yard of the home due to a failing septic system. The homeowner would be responsible for all tap fees in accord with the City's ordinance and fee schedule.

City Attorney Howard reviewed the issues involving previous litigation regarding the sewer line. In order for the City to permit the home to be connected to the line, City Council needs to approve this connection along with the approval of the other parties to the past litigation. City Staff had no objection to adding this customer to the system and it should be noted that the Marion Township Board of Trustees approved the request and have no objection either.

Council discussed the history of the previous litigation.

Mayor Campbell opened the item to public comment. There was no comment, and the item was closed.

Motion by Councilmember Perron, second by Councilmember Cole, to authorize the City Manager to give the consent of the City of Charlevoix to connect the residence at 06539 Marion Center Road to the existing sewer main on Marion Center Road in Marion Township.

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw

Nays: None

Absent: None

C. Consideration of Economic Development and Planning Director and Administrative Assistant Job Descriptions

City Manager Heydlauff stated that with the departure of the previous City Planning & Zoning Administrator, Staff proposed a new

job description entitled "Economic Development and Planning Director". This position would encompass a larger range of responsibilities which will include economic development and planning. He believed that it was important to look at economic development as a team effort – the person in the economic development/planning position will focus especially on the industrial park and coordinate planning across City departments while the future Main Street Executive Director/Grant Specialist position will focus on downtown while managing grants across City departments.

Mayor Campbell opened the item to public comment.

Lyle Gennett, First Ward, felt the City should work with the townships to share resources especially with the Planner position. City Manager Heydlauff stated that he will continue collaborative efforts with the townships.

The item was closed to the public.

City Manager Heydlauff confirmed for Councilmember Porter that the intention is to continue to employ an assistant. The planner assistant position would be either full or part time dependent upon the skillset of the future Planning Director.

Motion by Councilmember Supernaw, second by Councilmember Gibson, to approve the Economic Development and Planning Director and Administrative Assistant job descriptions [dated October 5, 2015.]

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw
Nays: None
Absent: None

City Manager Heydlauff stated that with the departure of the previous incumbent in the Police Department's Administrative Assistant position, Staff proposed a revised job description. The most significant change is that the new incumbent would work for the Police Chief and assist the City Clerk and City Manager's office.

D. Consideration of Section 3 Economic Opportunities Policy Resolution

City Manager Heydlauff stated that the City received a CDBG grant from the US Department of Housing and Urban Development in the amount of \$114,229 to repair and replace broken water lines in the City owned public right-of-way during the winter of 2013-14. The CDBG requires the City to adopt its Economic Opportunities Policy for Section 3 Covered Contracts policy. The City Attorney and City Clerk have reviewed the policy and have no concerns with the Section 3 policy. The City Attorney stated "that the Section 3 policy should either be added to the existing purchasing policy or adopted separately and then cross referenced in the existing policy. In either case, we should include language that states that, for any Section 3 contract, the Section 3 policy governs and shall apply in case of a conflict with any other provision in the purchasing policy."

Mayor Campbell opened the item to public comment. There was no comment, and the item was closed.

Action by Resolution.

E. Compensation Commission Report

City Manager Heydlauff reported that pursuant to the Charlevoix City Charter (section 2.11) and the Charlevoix City Code (Chapter 3), the Compensation Commission met recently. The commission decided not to change pay rates for the Mayor and City Council.

VIII. Introduction and Initial Actions Relating to Ordinances or to Resolutions That Require Publication or Hearings Prior to Final or Further Action

A. Request to Set a Public Hearing to Amend Title II, Utilities and Services, Chapter 22, City Water Utility, Section 2.52

DPW Superintendent Elliott stated that due to some uncertainty with the wording within Chapter 22, City Water Utility, of the City Code, Staff recommended an amendment to the ordinance per the attachment from City Attorney Howard. He indicated that by making these amendments there will be clear definition as to who is responsible for maintaining specific portions of a water service line. The changes that are proposed are consistent with past practices.

Mayor Campbell opened the item to public comment. There was no comment, and the item was closed.

Motion by Councilmember Kurtz, second by Councilmember Perron, to set a public hearing for Monday, October 19, 2015 to consider amending Title II, Utilities and Services, Chapter 22, City Water Utility, Section 2.52.

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw
Nays: None
Absent: None

B. Request to Set a Public Hearing for IFEC for Michigan Scientific Corporation

City Manager stated that Michigan Scientific Corporation is currently working on a building expansion and is seeking an Industrial

Facilities Exemption Certificate (IFEC) which will cut the tax bill on the new building by 50% for a period of years set by Council.

Michigan Scientific employs 60 people in Charlevoix and they are anticipating the hiring of more employees following the completion of the project.

Pursuant to Public Act 198 of 1974, Council must hold a public hearing prior to considering the IFEC request. City Manager Heydlauff proposed October 19, 2015 at which time Sara Christensen from Northern Lakes Economic Alliance and a representative from Michigan Scientific will discuss project details. The project has received zoning approval.

Mayor Campbell opened the item to public comment. There was no comment, and the item was closed.

Motion by Councilmember Porter, second by Councilmember Supernaw, to set a public hearing for Monday, October 19, 2015 at 7 p.m. in Council Chambers of City Hall on a request from Michigan Scientific Corporation for an Industrial Facilities Exemption Certificate.

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw

Nays: None

Absent: None

IX. Resolutions

A. Consideration of Section 3 Economic Opportunities Policy Resolution

Motion by Councilmember Kurtz, second by Councilmember Perron, to adopt Resolution 2015-10-01 Economic Opportunities Policy for Section 3 Covered Contracts, as follows:

**CITY OF CHARLEVOIX
RESOLUTION NO. 2015-10-01
ECONOMIC OPPORTUNITIES POLICY FOR SECTION 3 COVERED CONTRACTS**

WHEREAS, the City of Charlevoix is desirous to obtain funding from the US Department of Housing and Urban Development (HUD) and its Community Development Block Grants (CDBG) program, and

WHEREAS, HUD requires the adoption of its Economic Opportunities Policy for Section 3 Covered Contracts policy in order to qualify for said funding; and

WHEREAS, Section 3 policy governs and shall apply in the case of a conflict with any other provision in the purchasing policy.

NOW, THEREFORE, BE IT RESOLVED that the City of Charlevoix City Council hereby adopts the following Economic Opportunities Policy for Section 3 Covered Contracts policy and make it part of the City's Purchasing Guidelines.

**CITY OF CHARLEVOIX
Economic Opportunities Policy for Section 3 Covered Contracts**

Background:

Section 3 of the Housing and Urban Development Act of 1968, as amended, ("Section 3") requires that economic opportunities generated by certain U.S. Department of Housing and Urban Development financial assistance for housing and community development programs be directed to low and very low income persons, particularly those who are recipients of government assistance for housing, and business concerns which provide economic opportunities to low and very low income persons.

Pursuant to Section 3 of the Housing and Urban Development Act of 1968, as amended and 24 CFR Part 135, The City of Charlevoix adopts this Economic Opportunities Policy for Section 3 Covered Contracts. The policy will provide direction for implementing Section 3, when required.

Policy Statement:

The City of Charlevoix shall provide opportunities to low and very low income persons residing in the State of Michigan (as defined in § 135.5 of 24 CFR Part 135) and to businesses meeting the definition of "Section 3 Business Concern" (as defined by 24 CFR Part 135). Accordingly, the City of Charlevoix shall implement policies and procedures to ensure that Section 3, when required, is followed and develop programs and procedures necessary to implement this policy covering all procurement contracts where labor and/or professional

services are provided. This policy shall not apply to contractors who only furnish materials or supplies through Section 3 covered assistance. It will apply to contractors who install materials or equipment. (See the definition of "Section 3 Covered Contracts" below.) There is nothing in policy that should be construed to require the employment or contracting of a Section 3 resident or contractor who does not meet the qualifications of the position to be filled or who cannot fulfill the contract requirements.

Definitions:

The City of Charlevoix incorporates into this policy the definitions contained in § 135.5 of 24 CFR Part 135.

Defined Terms of Policy:

- **Section 3** – Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low and very low income persons or business concerns residing in the community where the project is located.
- **Section 3 Recipient** – means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferees of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.
- **Section 3 Resident** – A section 3 resident is 1) a public housing resident; or 2) a low or very low income person residing in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended.
- **Section 3 Business Concern(s)** – Section 3 Business Concerns are businesses that can provide evidence that they meet one of the following:
 - a) 51% or more owned by Section 3 residents; or
 - b) at least 30% of its full time employees include persons that are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
 - c) provides evidence, as required, of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in the above two paragraphs.
- **Section 3 Covered Assistance** –
 - (a) Public and Indian housing development, operating or capital funds; or other housing assistance and community development assistance expended for housing rehabilitation, housing construction or other public construction projects, such as: CDBG, HOME, 202/811, Lead-Based Paint Abatement, etc.
 - (b) The following definition for Section 3 Covered Assistance comes from 24 CFR 135.5:
 - (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;
 - (2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;
 - (3) Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;
 - (4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
 - (i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
 - (ii) Housing construction; or
 - (iii) (Other public construction project (which includes other buildings or improvements, regardless of ownership).
- **Section 3 Covered Contract** – means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 Covered Assistance, or for work arising in connection with a Section 3 Covered Project. "Section 3 Covered Contracts" do not include contracts awarded under HUD procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 Covered Contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of

the materials, the contract constitutes a Section 3 Covered Contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 Covered Contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

- **Section 3 Covered Project** – A Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.
- **Section 3 Covered Community Planning and Development Funding** – Community Development Block Grants (CDBG), Home Investment Partnership Assistance (HOME), Emergency Shelter Grants (ESG), Neighborhood Stabilization Programs (NSP), and certain grants awarded under HUD Notices of Funding Availability (NOFAs). The requirements for Section 3 only apply to the portion(s) of covered funding that were used for project/activities involving housing construction, rehabilitation, demolition, or other public construction.

Responsibilities:

1. The City of Charlevoix that receives community development or housing assistance covered by Section 3 has the responsibility to comply with Section 3 in its own operations. This responsibility includes:
 - a. Notifying Section 3 residents and businesses about jobs and contracts generated by Section 3 covered assistance so that residents may seek jobs and businesses may submit bids/proposals for available contracts;
 - b. Notifying potential contractors of the objectives of Section 3 and ways in which each contractor can assist the sub-recipient to meet its goal;
 - c. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns; and
 - d. Documenting the action that the sub-recipient takes to comply with the Section 3 requirements, the results of the actions, and impediments, if any.
2. The City of Charlevoix has a responsibility to “ensure compliance” of their contractors and subcontractors. This means that a sub-recipient must:
 - a. Notify contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in contract documents.
 - b. Refrain from entering into contracts with contractors that are in violation of the regulations in 24 CFR Part 135.
 - c. Respond to complaints made to the recipient by Section 3 residents or business concerns that the sub-recipient, a contractor or subcontractor, is not in compliance with 24 CFR Part 135.
 - d. Cooperate with HUD in obtaining the compliance of contractors and subcontractors when allegations are made that the sub-recipient’s contractors and subcontractors are not in compliance with the regulation of 24 CFR Part 135.

Goals:

All contractors undertaking Section 3 covered projects and activities are expected to meet the Section 3 requirements. To demonstrate compliance with the "greatest extent feasible" requirement of Section 3, contractors must meet the goals set forth below for providing training, employment and contracting opportunities to Section 3 residents and Section 3 business concerns. To meet the goals, contractors must select Section 3 residents based on the following priorities pursuant to § 135.34, 24 CFR Part 135:

First Priority - Residents of the development where the work is to be performed.

Second Priority - Other residents of the neighborhood where the work is to be performed.

Third Priority - Other residents of the neighborhood who are participants in HUD- Youthbuild or others federal, state, and local job programs being carried out in the city or county area.

Fourth Priority - Other persons from the project metropolitan area who meet the definition of Section 3 resident contained in § 135.5 of 24 CFR Part 135.

Employment:

All contractors will seek low or very low income persons residing in the property metropolitan area for 30% of all new hires. When applicable, the contractor must show evidence of seeking project residents for 15% of the new hires.

Eligibility for employment or contracting nothing in this policy shall be construed to require the employment or contracting of a Section 3 resident or contractor who does not meet the qualifications of the position to be filled or who cannot perform the contract.

Preference for Section 3 Business Concerns:

Preference shall be awarded to Section 3 Business Concerns according to the following system:

- A. Where the Section 3 Covered Contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 Business Concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 Business Concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

- B. Where the Section 3 Covered Contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 Business Concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

Competitive Bids: Procurement by Sealed Bids (Invitations for Bids)

Preference in the award of Section 3 Covered Contracts that are awarded under a sealed bid process may be provided as follows:

Bids shall be solicited from all businesses (Section 3 Business Concerns, and non-Section 3 Business Concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking and with the lowest responsive bid if that bid—

- 1. Bids shall be solicited from all businesses (i.e. Section 3 Business Concerns and non- Section 3 Business Concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking (as defined in 24 CFR Part 135) and with the lowest responsive bid if that bid:

- A.) is within the maximum total contract price established in The City of Charlevoix's budget for the specific project for which bids are being taken; and
- B.) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

X = lesser of:

When the lowest responsive bid is less than \$100,000 10% of that bid or \$9,000

When the lowest responsive bid is:

- At least \$100,000, but less than \$200,000 9% of that bid or \$16,000
- At least \$200,000, but less than \$300,000 8% of that bid or \$21,000
- At least \$300,000, but less than \$400,000 7% of that bid or \$24,000
- At least \$400,000, but less than \$500,000 6% of that bid or \$25,000
- At least \$500,000, but less than \$1 million 5% of that bid or \$40,000
- At least \$1 million, but less than \$2 million. . . . 4% of that bid or \$60,000
- At least \$2 million, but less than \$4 million. . . . 3% of that bid or \$80,000
- At least \$4 million, but less than \$7 million. . . . 2% of that bid or \$105,000
- \$7 million or more 1.5% of the lowest responsive bid, with no dollar limit.

- 2. If no responsive bid by a Section 3 Business Concern meets the requirements of paragraph 1 of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

- 3. In both paragraph 1 and 2 above, a bidder, to be considered as responsible, must demonstrate compliance with the "greatest extent feasible" requirement of Section 3.

Compliance

HUD holds MSHDA accountable for compliance with Section 3 requirements. In its written agreement with its housing partners, MSHDA will site Section 3 obligations. When a housing partner is unable to meet Section 3 goals, MSHDA will place the burden of proving compliance with Section 3 on the recipient.

The minimum numerical goal for employment is 30 percent of the aggregate number of new hires shall be Section 3 residents annually—i.e., 1 out of 3 new employees needed to complete a Section 3 covered project/activity shall be a Section 3 resident.

The minimum goals for contracting are:

- Ten percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing or building trades work arising in connection with housing rehabilitation, housing construction and other public construction, shall be awarded to Section 3 businesses; and
- Three percent of the total dollar amount of all non-construction Section 3 covered contracts, shall be awarded to Section 3 businesses.

Safe harbor and compliance determinations: In the absent of evidence to the contrary (i.e., evidence that efforts to the “greatest extent feasible” were not expended), if the City of Charlevoix or contractor meets the minimum numerical goals shown above, the recipient or contractor is considered to have complied with Section 3 preference requirements.

The City of Charlevoix will be expected to demonstrate why it was not feasible to meet the goals. At a minimum, if recipients of Section 3 Assistance are unable to meet their Section 3 training, hiring, and contracting goals, they should sponsor or participate in upward mobility programs, hire eligible residents in trainee positions with regard to training and employment, or form Section 3 joint ventures with various local employment agencies.

Data Collection and Reporting:

The City of Charlevoix will collect and submit required Section 3 data and complete Section 3 reporting requirements.

RESOLVED, this 5th day of October, A.D. 2015

Resolution was adopted by the following yea and nay vote:

Yeas: Porter, Kurtz, Perron, Gibson, Cole, Supernaw
Nays: None
Absent: None

X. Ordinances
None

XI. Miscellaneous Business
Councilmember Gibson stated that she was not in favor of memorial walls as a donation option.

XII. Audience - Non-agenda Input (written requests take precedent)
None

XIII. Adjourn
Motion by Councilmember Kurtz, second by Councilmember Cole to adjourn. Motion passed by unanimous voice vote.
Meeting adjourned at 8:57 p.m.

Special Accounts Payable – 09/17/2015

DEVERE CONSTRUCTION COMPANY	430,895.63		
PREIN & NEWHOF	38,596.32	TOTAL	469,491.95

Special Accounts Payable – 09/22/2015

AT&T LONG DISTANCE	56.09	GREAT LAKES ENERGY	201.35
AT&T MOBILITY	72.79	METLIFE SMALL BUSINESS CENTER	824.64
CHARLEVOIX STATE BANK	8,015.72	VERIZON WIRELESS	56.72
DELTA DENTAL	3,967.00	VISION SERVICE PLAN	516.37
FIRSTMERIT BANK N.A.	18,019.71	TOTAL	31,730.39

Regular Accounts Payable – 10/06/2015

AIRGAS USA LLC	1,284.74	JOHNNY MAC'S SPORTING GOODS	40.25
ALGER-BERGMANN, JODIE	19.99	KEVIN'S METER TESTING	2,623.64
ALL-PHASE ELECTRIC SUPPLY CO.	231.06	KIRINOVIC, THOMAS	41.00
AMERICAN WATER WORKS ASSN	178.00	KLOOSTER, ALIDA K.	41.00
AVFUEL CORPORATION	32,159.46	KMart	262.19
BEAR EARTH HERBALS	7.00	KSS ENTERPRISES	169.44
BEAVER RESEARCH COMPANY	194.22	LAKESHORE TIRE & AUTO SERVICE	601.80
BELL EQUIPMENT COMPANY	421.59	LEESE, M. CHRIS	232.00
BERG, REBECCA	139.00	LOTTIE'S BAGELS	48.00
BLARNEY CASTLE OIL CO	708.02	MARTIN, RICHARD	33.00
BLASKOWSKI, CHERYL	57.73	MAYS, SCOTT	16.50
BORTHS, ANGELINE	16.96	McGINN, KELLY	41.00
BURNETT, JOAN	75.32	MCMILLAN, MICHAEL	60.50
CARDINAL CARPET CLEANING	2,000.00	MICHIGAN MUNICIPAL LEAGUE	8,889.53
CHARLEVOIX COURIER	59.00	MONCION, PIERRE	151.50
CHEMICAL SYSTEMS INC.	1,872.00	MYER, ELIZABETH A.	41.00
CHEMTRADE CHEMICALS US LLC	1,592.40	NESTLE, HAROLD	191.43
CHRISTENSEN, ROGER	168.33	NORTH COUNTRY CRITTERS	25.00
COOK FAMILY FARMS	131.00	NORTHERN FIRE & SAFETY INC.	219.00
DCASSESSING SERVICES	4,371.08	NORTHERN SAFETY CO INC	147.93
DeROSIA, PATTY	41.00	OMS COMPLIANCE SERVICES INC	41.25
DHASELEER, CARL	53.00	PANOFF, ZACH	41.00
DOAN, GERARD	41.00	PERFORMANCE ENGINEERS INC	9,695.00
DORNBOSS SIGN INC.	366.20	POND HILL FARM LLC	95.00
DOYLE, ANNIE	41.00	POWER LINE SUPPLY	1,993.81
DUERR, JOHN	44.00	PRICE BUILDING & REMODELING	3,387.00
EJ USA INC.	362.75	PROVIDENCE FARM LLC	1,135.00
ELLIOTT, PATRICK M.	41.00	RICK-BIDDICK, MICHELLE	2,262.92
EMERGENCY MEDICAL PRODUCTS INC	273.34	ROCKY TOP FARMS	23.00
ETNA SUPPLY	1,909.21	ROLOFF, ROBERT	41.00
EVANS, HAL	41.00	RTI LABORATORIES INC.	31.00
EXELBY, DONALD	53.68	RUSTIC BAKER	16.00
FAMILY FARE SUPERMARKETS	42.33	SECURITY SANITATION INC.	190.00
FARMER WHITE'S	36.00	SHINDORF BUILDERS	285.00
FERGUSON & CHAMBERLAIN	7,280.00	SHORELINE POWER SERVICES INC.	7,745.63
FISHER SCIENTIFIC	238.52	SMOKE ON THE WATER	20.00
GELDERBLOM, PAUL	50.00	SPARTAN DISTRIBUTORS INC	148.65
GEMPLER'S	371.95	STATE OF MICHIGAN	57,791.10
GERBER HOMEMADE SWEETS	32.00	SWEM, DONALD L.	41.00
GINOP SALES INC	989.26	SYSTEMS SPECIALISTS INC	325.00
GOLDING, JOYCE	41.00	TEUNIS, STEVEN	41.00
GRAINGER	209.76	UP NORTH PROPERTY SERVICES LLC	4,081.00
GRP ENGINEERING INC.	3,323.79	UPPER CASE PRINTING INK.	187.03
GUNTZVILLER, RHONDA	45.00	VILLAGE GRAPHICS INC.	226.71
HACH COMPANY	2,270.71	VOSS LIGHTING	327.12
HANKINS, SCOTT	41.00	WALDIE, ROBERT	17.07
HARWOOD GOLD	81.00	WELLER, LINDA	41.00
HEID, THOMAS J.	41.00	WHOLLY GRANOLY LLC	6.00
HEYDLAUFF, MARK L	212.81	WICKERSHAM, HERBERT	119.94
HOLIDAY COMPANIES	6,876.39	WILLIAMS, GLORIA JEAN	17.00
HYDE SERVICES LLC	238.42	WORK & PLAY SHOP	23.88
IDEXX DISTRIBUTION INC.	1,041.79	WYMAN, MATTHEW A.	41.00
IRWIN, WILLIAM	39.98	ZEITLER, GARY	121.00
JACK DOHENY SUPPLIES INC	1,821.18		
JACOBSEN	1,488.95	TOTAL	180,200.74

ACH Payments – 09/21/2015 – 09/25/2015

MI PUBLIC POWER AGENCY	31,349.75	STATE OF MI (WITHHOLDING TAX)	5,520.92
MERS (DEFINED BENEFIT PLAN)	26,374.66	VANTAGEPOINT (401 ICMA PLAN)	686.22
MI PUBLIC POWER AGENCY	305,745.76	VANTAGEPOINT (457 ICMA PLAN)	13,794.69
IRS (PAYROLL TAX DEPOSIT)	38,176.71		
ALERUS FINANCIAL (HCSP)	420.00	TOTAL	422,068.71

PAYROLL: NET PAY

Pay Period Ending 09/19/2015 – Paid 09/25/2015

WELLER, LINDA JO	1,620.71	BECKER, MICHAEL S.	567.25
HEYDLAUFF, MARK L.	2,104.48	BUTLER, SEAN C.	528.47
GOLDING, JOYCE M.	1,059.15	MCGHEE, ROBERT R.	847.67
DEROSIA, PATRICIA E.	1,012.89	STANTS, JACOB W.	470.44
DOYLE, ANNE E.	1,385.05	BLOOMER, GABRIELLE J.	357.20
LOY, EVELYN R.	1,037.79	MCCLANATHAN, BRANDON R.	412.30
KLOOSTER, ALIDA K.	1,447.07	STEWART, SAMUEL D.	115.07
GOLOVICH, KAREN J.	957.00	KIRINOVIC, THOMAS F.	573.67
SPENCLEY, PATRICIA L.	1,488.06	FORRESTER, KATHERINE A.	473.99
PANOFF, ZACHARY R.	1,018.76	HEID, THOMAS J.	1,252.44
MILLER, FAITH G.	47.30	STEIN, DONNA E.	64.09
LEESE, MERRI C.	200.36	BOOTHE, STEVEN A.	125.25
MCGINN, KELLY A.	1,642.26	RYPSTRA III, BART	86.49
DOAN, GERARD P.	1,556.74	DAVIS, RONALD L.	12.04
SHRIFT, PETER R.	1,305.94	MACLEOD, SAMUEL R.	200.20
SCHLAPPI, JAMES L.	1,209.85	DAKROUB, JOSEPH E.	111.00
UMULIS, MATTHEW T.	1,345.89	MASSON, DONALD J.	299.64
HANKINS, SCOTT A.	1,489.79	MYER, ELIZABETH A.	1,622.71
ORBAN, BARBARA K.	1,420.59	VANLOO, JOSEPH G.	639.21
TRAEGER, JASON A.	1,218.53	WYMAN, MATTHEW A.	955.66
WARNER, JANINE M.	851.52	SCHRADER, LOU ANN	515.78
EVANS JR, HALBERT K.	1,442.49	BOSS, RYDER S.	705.59
GODDARD, RYAN D.	781.28	MILLER, WILLIAM S.	941.42
BINGHAM, LARRY E.	820.38	FUNKEY, KRAIG R.	170.85
GREYERBIEHL, KELLY M.	353.28	MEGGISON, JERRY B.	205.27
ROLOFF, ROBERT P.	4,627.13	RILEY, CASEY W.	213.57
RILEY, DENISE M.	388.63	THORMAN, MIKAYLA R.	17.62
LOPER II, GARY D.	1,293.15	JONES, LARRY M.	1,091.64
TEUNIS, STEVEN L.	1,681.68	WILLSON, BRENDA R.	301.30
WURST, RANDALL W.	1,554.13	OCHS, THOMAS F	27.70
MAYER, SHELLEY L.	1,510.89	TRAVERS, MANUEL J.	57.75
HILLING, NICHOLAS A.	1,111.43	RILEY, DANIEL A.	1,142.85
MEIER III, CHARLES A.	1,396.61	GERBER, SAMUEL A.	64.64
ZACHARIAS, STEVEN B.	2,080.82	CHAVEZ, DEBRA L.	440.50
NISWANDER, JOSEPH F.	1,476.24	KLOOSTER, PATRICK H.	682.84
EATON, BRAD A.	1,749.69	KLINGER, BRADLEY W.	294.31
WILSON, TIMOTHY J.	1,962.70	SWEM, DONALD L.	1,808.24
LAVOIE, RICHARD L.	1,686.51	WHITLEY, ANDREW T.	1,746.43
STEVENS, BRANDON C.	1,615.44	MORRISON, KEVIN P.	972.00
DRAVES, MARTIN J.	1,993.71	HODGE, MICHAEL J.	1,270.66
BROWN, STEPHANIE C.	1,049.08	JOHNSON, STEVEN P.	1,520.67
ELLIOTT, PATRICK M.	1,762.40	BISHAW, JAMES H.	667.37
SCHWARTZFISHER, JOSEPH L.	1,215.54	HERRIMAN, COBY M.	428.67
WELLS JR., DONALD E.	1,245.34	HINDLE, LYDIA R.	357.76
BRADLEY, KELLY R.	1,381.84	GILL, DAVID R.	1,136.38
HART II, DELBERT W.	723.78	TODD, RICHARD D.	468.59
JONES, ROBERT F.	1,457.55	STEVENS, JEFFREY W.	661.84
DORAN, JUSTIN J.	1,380.44	ROLOFF, AUDREY M.	2,983.81
MANKER JR, DAVID W.	403.41	MATTER, DAWSON K.	3,272.99
MANKER SR, DAVID W.	645.30	SCOTT JR., WINFIELD	127.75
NEUMANN, DANA L.	376.40	TOTAL	100,598.58

PAYROLL: TRANSMITTAL – 09/25/2015

4FRONT CREDIT UNION	218.46	CHAR EM UNITED WAY	32.00
AMERICAN FAMILY LIFE	145.20	CHARLEVOIX STATE BANK	1,021.16
AMERICAN FAMILY LIFE	271.20	CHEMICAL BANK	150.00

COMMUNICATION WORKERS OF AMER	525.02	PRIORITY HEALTH	1,663.56
MI STATE DISBURSEMENT UNIT	401.83	TOTAL	4,428.43

Tax Disbursement – 10/06/2015

CHARLEVOIX COUNTY TREASURER	327.12	CHARLEVOIX PUBLIC SCHOOLS	5,900.54
CHARLEVOIX COUNTY TREASURER	61,962.81	CHARLEVOIX PUBLIC SCHOOLS	1,275.56
CHARLEVOIX PUBLIC SCHOOLS	73,162.06	CITY OF CHARLEVOIX - TAXES DUE	78,229.83
CHARLEVOIX PUBLIC SCHOOLS	12,120.34	DCL INC.	5,464.80
CHARLEVOIX PUBLIC SCHOOLS	573.83	TOTAL	239,016.89