



## Notice City Commission Study Session

7:00 PM

Monday, January 11, 2016

Governmental Center, Commission Chambers, 400 Boardman Avenue  
Traverse City, MI 49684

Posted and Published: 01-08-2016

The meeting informational packet is available for public inspection at the Traverse Area District Library, Law Enforcement Center, City Manager's Office, and City Clerk's Office.

The City of Traverse City does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, MI 49684, 922-4440-TDD: 922-4412, has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the ADA Coordinator. If you are planning to attend and you have a disability requiring any special assistance at the meeting and/or if you have any concerns, please immediately notify the ADA Coordinator.

At the request of City Manager Marty Colburn, City Clerk Benjamin Marentette has called this Study Session.

City Commission:

c/o Benjamin C. Marentette, MMC, City Clerk  
(231) 922-4480

Email: [tcclerk@traversecitymi.gov](mailto:tcclerk@traversecitymi.gov)

Web: [www.traversecitymi.gov](http://www.traversecitymi.gov)

400 Boardman Avenue

Traverse City, MI 49684

---

*The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.*

### **Welcome to the Traverse City Study Session!**

Any interested person or group may address the City Commission on any agenda item when recognized by the presiding officer or upon request of any commissioner. Also, any interested person or group may address the City Commission on any matter of City concern not on the Agenda during the agenda item designated Public comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than five minutes unless otherwise explained by the presiding officer, subject to appeal by the Commission.

### **Agenda**

Pledge of Allegiance

Roll Call

1. Presentation of the Fiscal Year 2014/2015 audit. (Marty Colburn, William Twietmeyer)
2. Discussion regarding a request for a payment-in-lieu-of-taxes arrangement (PILOT) by The Woda Group in connection with a housing development at the southwest corner of Pine Street and West Front Street for housing for citizens of low-income. (Marty Colburn, Polly Cairns)
3. Discussion regarding a request for an expanded payment-in-lieu-of-taxes arrangement (PILOT) for Bay Hill Apartments off Veterans Drive, as requested by Hollander Development Corporation. (Marty Colburn, Polly Cairns)
4. Discussion regarding establishing a Director of Human Resources position. (Marty Colburn)

5. Consideration of entering into closed session to discuss an attorney-client communication regarding the Clinch Park Waterscape. (Marty Colburn, Lauren Tribble-Laucht) (5 affirmative votes required to enter into closed session)
6. Announcements from the City Clerk. (Benjamin Marentette)
7. Public comment.
8. Adjournment.

k:\tcclerk\agenda\2016\agenda\_20160111



The City of Traverse City

## Communication to the City Commission

FOR THE REGULAR CITY COMMISSION MEETING OF JANUARY 11, 2016

DATE: JANUARY 8, 2016

FROM:  MARTY COLBURN, CITY MANAGER

SUBJECT: JANUARY 11 STUDY SESSION

This memo covers the items for Monday's Study Session.

1. ***Presentation of the Fiscal Year 2014/2015 Audit.***

Abraham and Gaffney, the auditors for the City, will provide a 10-15 minute overview of key points from the audit which you were provided with on January 4; they, along with City Treasurer/Finance Director William Twietmeyer, will be available for any questions. We anticipate having the City Commission take action to accept the audit on January 19.

2. ***Discussion regarding a request for a payment-in-lieu of taxes arrangement (PILOT) by The Woda Group in connection with a housing development at the southwest corner of Pine Street and West Front Street for housing for citizens of low income.***

Attached is a memo from City Assessor Polly Cairns regarding a request from The Woda Group for a payment-in-lieu of taxes arrangement (PILOT) with the City for their proposed, 64-unit multi-family development at the southwest corner of Pine Street and West Front Street, for citizens of low income.

A PILOT is an arrangement where a property owner, rather than paying the taxes according to the traditional formula (ad valorem taxes), pays a percentage of rents collected on an annual basis. Additionally, the property owner may pay an annual services fee through a municipal services agreement. The payments under the PILOT cannot exceed the amount the property owner would have paid under traditional ad valorem taxes. The PILOT payment is spread across the taxing jurisdictions in the same proportion as traditional ad valorem taxes.

Specifically, The Woda Group is requesting a 6% PILOT plus a \$12,500 municipal

services agreement fee that would be retained entirely by the City. The \$12,500 municipal services fee would increase each year by CPI, or a maximum of 3%. Based on anticipated occupancy and rents, the assumed value of the PILOT would be \$20,000; and the City Assessor estimates the City would receive \$4,300 of that amount. Additionally, as mentioned above, the City would receive \$12,500 under the municipal services agreement, for a total of \$16,800.

Under the traditional tax formula, or ad valorem taxes, the property owner would pay \$297,000, with \$70,500 attributable to the City.

**3. Discussion regarding a request for an expanded payment-in-lieu of taxes arrangement (PILOT) for Bay Hill Apartments off Veterans Drive, as requested by Hollander Development Corporation.**

Attached is a memo from City Assessor Polly Cairns regarding a request from Joseph Hollander, of Hollander Development, representing Bay Hill Apartments, for an expanded PILOT arrangement, with a lesser PILOT percentage to be paid. Mr. Hollander has not provided formal scenarios to include with the packet; he desires to provide that information in his presentation on Monday evening and gain your feedback.

**4. Discussion regarding establishing a Director of Human Resources position.**

When I arrived, as a result of prior discussions, I was asked to review the establishment of two administrative positions. I have concluded my evaluation of the need of one of those positions, which is the Director of Human Resources. I have determined that this position is vital to the operations of this organization. I will discuss this with the City Commission on Monday and will be seeking approval in the near future to establish this position immediately, specifically as we approach the negotiation of six collective bargaining agreements.

**Background:**

The City of Traverse City has always had a Human Resources Director, until 2010. In 2010, the person holding that position was terminated as part of an overall effort at cost reduction by the City. The most critical functions of the HR Director, those that were essential to keep the HR Department functioning, were reassigned to other employees as additional duties. I have attached a memo from City Treasurer Bill Twietmeyer that gives more depth to the background of this position.

During the preparation of the 2015-2016 annual City Budget, the HR Director

position was initially included in the proposed budget, but was subsequently removed in order for the new City Manager to assess the need for the position.

*Need:*

The HR Director has a high level of responsibility within the organization. The HR Director manages every aspect of the City's employment services, such as development of policies, administering collective bargaining agreements, participating in the contract negotiation process, assessing training requirements for employees and developing training programs, and acting as the agent for the various benefit programs that the City offers its employees. The HR Director also is required to keep current with the ever-changing employment laws and regulations, and keeping the City in compliance with those laws and regulations.

There are several areas in which a professional HR Director is needed in order to maintain the City's internal organizational structure:

1. Collective Bargaining: On June 30, 2016, all of the City's six (6) collective bargaining agreements will expire. Due to the sheer volume of contracts to be negotiated, we anticipate a long process of negotiation with the various bargaining units. We are preparing for this process right now. The HR Director plays a vital role in this process; whether it is estimating the cost of a change in benefit, ensuring that the City stays in compliance with insurance regulations, suggesting contract language that is clear and concise or keeping accurate records of each proposal and response.
2. Redundancy: Currently, the HR Generalist performs a number of critical tasks related to the processing of the City's bi-weekly payroll. At this time, the HR Generalist is the only employee who is familiar with and responsible for these tasks. If the HR Generalist was unable to work for an extended period of time, the City would, at a minimum, have a great potential for errors and a lapse in the timeliness of payroll processing. As a worst case scenario, the City could be liable for fines and/or penalties levied by the State, the IRS, or MERS for late payroll reporting or for not filing required reports.
3. In-Service Training: When the HR Director position became vacant, training for City employees diminished to almost nil, other than employee orientation and on the job training for specific tasks. The City needs to ensure that employees are routinely trained for the tasks they are to undertake, and that records of the training are maintained. This is especially important with respect to compliance with labor rules and regulations, and safety training. The

HR Director performs a critical role in evaluating training needs and organizing training events.

4. Organizational Assessment and Development: In 1999, the City contracted with the Michigan Municipal League (MML) to perform a wage and salary study. Part of the study included a review of all job descriptions then in existence. Over time, some positions became vacant and were not filled for one reason or another, employees began to, and continue to, perform work that is either part of another job description that is currently vacant, or work that is outside the scope of their job description due to the changing needs of the organization. In addition, the MML recommended that the wage and salary study be performed and updated at least every six years; this effort has not been undertaken since the 1999 study. The HR Director could lead this effort, and possibly perform the activity in house as opposed to contracting the service out. I would like to see this expanded to include a workforce planning component. We have had several key positions become vacant in recent years, with several more key people nearing the point of becoming eligible for retirement. We need to plan for the replacement of these key positions.

The HR Director position is in the Administrative, Clerical and Technical (ACT) division, Grade 7, with a wage range of: Initial - \$61,991, Midpoint - \$71,289, Maximum - \$80,588.

***Recommendation:***

I recommend filling this position as soon as is practical. In addition, I recommend that a budget amendment be approved to provide the necessary funding for this position for the remainder of the fiscal year.

***5. Consideration of entering into closed session to discuss an attorney-client communication regarding the Clinch Park Waterscape.***

An attorney-client privileged communication will be sent to you under separate cover. The City Attorney and I recommend that you enter into closed session following the public comment portion of the agenda. The City Commission will not be requested to take any action Monday evening. I recommend the following motion (5 affirmative votes required):

**that the City Commission enter into closed session to discuss an attorney-client privileged communication in connection with the Clinch Park Waterscape as authorized by MCL 15.268(h).**

City Commission  
January 11 Study Session

---

MC/bcm k:\tcclerk\city commission\study sessions\20160111

copy: Polly Cairns, City Assessor

Joseph Hollander, Hollander Development

Craig Patterson, The Woda Group

Jean Derenzy, Grand Traverse County Deputy Director of Planning and  
Development

---

# MEMORANDUM

CITY OF TRAVERSE CITY



---

## ASSESSING DEPARTMENT

---

**TO:** MARTIN COLBURN, CITY MANAGER

**FROM:** Polly Watson Cairns, City Assessor Polly Watson  
Cairns (MMAO) Digitally signed by Polly Watson Cairns (MMAO)  
DN: cn=Polly Watson Cairns (MMAO), o=City of  
Traverse City, ou=Assessing Department,  
email=pwca@traversecity.gov, c=US  
Date: 2016.01.04 13:40:27 -0500

**SUBJECT:** PILOT- Payment in Lieu of Tax proposal from Woda Group, Inc.  
Property located at Southwest Corner Pine St & West Front  
Part of Parcel ID: 28-51-794-001-00-00 – aka 110 Pine Street

**DATE:** Updated January 4, 2016

---

It is acknowledged that this proposal is to provide low-income housing for its citizens of low income and to encourage the development of such housing by providing a service charge in lieu of property taxes, aka PILOT, which is in accordance with City Ordinance No. 431, now Chapter 881- Low Income Housing Tax Exemption, and State Housing Development Act of 1966 (1966 PA 346, as amended, MCL 125.1401, et seq), and must be in compliance with MSHDA requirements and guidelines.

The City of Traverse City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed taxes that would be paid but for this Act.

In lieu of normal property taxes, an annual service charge for public services is paid. This payment in lieu of taxes (PILOT) is estimated based on the proposed six percent (6%) of the net shelter rents expected to be received after allowance for utilities paid, as is typical City policy. Per City policy, this charge shall not exceed the amount that normal taxes would generate. Payments in lieu of tax payments are dispersed amongst the various taxing authorities in a manner consistent with State Statute.

The PILOT request from P. Craig Patterson, Senior Vice President of WODA, proposes an annual PILOT payment of \$20,000, based on requested six percent, (6%) for sixteen (16) years, for the proposed 64-unit multi-family project, assuming 100% occupancy.

Valuation of the proposed project, based on supplied construction costs of \$10,500,000, reflects an Ad Valorem Taxable Value of \$5,250,000, excluding land value, projected to generate \$297,000 in annual property tax, including all taxing jurisdictions, based on final 2015 millage rates. The Ad Valorem tax portion attributable to the City projected at \$70,500; inclusive of the City of Traverse City operating and Act 345 millage rates. This equates to an average \$1,100 per unit, as presented, excluding land value attributable to the project. The PILOT payment portion attributable to the City of Traverse City's is estimated \$4,300,

approximately \$67 per unit. No value has been allocated to land for the proposed project, as it is not known as this time what portion of the parcel the proposed 64-unit PILOT building project encompasses.

In addition, the proposed project does include a commercial component, not applicable to the PILOT. This portion to be assessed and taxed as Ad Valorem property.

*Location map below, indicating proposed project location, for visual purposes.*





DEVELOPMENT  
CONSTRUCTION  
MANAGEMENT

December 29, 2015

The Woda Group, Inc.  
115 North Huron Avenue  
P.O. Box 369  
Mackinaw City, Michigan 49701

[www.wodagroup.com](http://www.wodagroup.com)

Mr. Martin Colburn  
City Manager  
City of Traverse City  
400 Boardman Avenue  
Traverse City, Michigan 49684

Re: PILOT Request; 110 Pine Street

Mr. Colburn,

The Woda Group, Inc. would like to resubmit a request a for a Payment in Lieu of Taxes (PILOT) for their proposed 64 unit low income multi-family development situated near the corner of West Front and Pine Street at 110 Pine Street. Once completed, this development will have restricted but affordable rents to help working singles, families and seniors obtain quality, safe, and energy-efficient housing in downtown Traverse City. An approved PILOT will significantly improve Woda's chances of receiving MSHDA funding for this \$10,500,000 development.

The Woda construction plan proposes the development of a nine floor high rise residential building with a commercial suite and a large community room with manager's office on the first floor. The first floor community space will be used primarily by tenants and their guests. Commercial space will be marketed to the business community at large. The building concept has been created to integrate well within the surrounding neighborhood. Once completed, the new units will have Energy Star appliances, water-saving faucets/toilets; plentiful insulation and contain other "green" features which will help the finished community qualify for Enterprise Green Communities certification.

To fund construction, Woda will seek housing tax credit financing from MSHDA. As part of the application process, MSHDA requests that developers seek a PILOT from the local municipality. The PILOT helps ensure the long-term financial stability of the property plus helps the developer increase their chances of receiving funding for the project. Woda (developer) plans to submit a funding application to MSHDA on April 1, 2016.

77 Pine Limited Dividend Housing Association, LP (owner) and The Woda Group, Inc. are requesting a 6% PILOT for 16 years be adopted for the proposed development at 110 Pine Street. The estimated value of this PILOT is \$20,000 assuming 100% occupancy. In addition, The Woda Group proposes to enter a Municipal Services Agreement (MSA) that will pay the City an annual MSA fee of \$12,500 (with an increase of up to 3% per annum based on CPI) in addition to the PILOT. The fee is provided to cover possible City funded services (eg. fire, EMS) that may be needed at the site. Both the annual PILOT and MSA payment will be paid simultaneously but can be made at any date the City prefers. The combined value of the PILOT and MSA is estimated at \$32,500 in the first full year of occupancy.

As you know, the PILOT payment will be determined each year based on collected rents plus other income less common utilities. Each year in late March, Woda can provide a third party financial audit to the City to verify income and utilities.

Without a PILOT, it will be highly improbable for Woda to receive MSHDA funding. Each developer competes against other developers in the state to win funding. Historically, for new construction projects, only the projects that receive a local PILOT receive MSHDA funding.

I appreciate you considering this request and I look forward to making a formal presentation to City leadership at an upcoming Commission meeting.

Sincerely

P. Craig Patterson,  
Senior Vice President

cc. P. Hill, P. Cairns

---

# MEMORANDUM

CITY OF TRAVERSE CITY



## ASSESSING DEPARTMENT

---

**TO:** MARTIN COLBURN, CITY MANAGER

**FROM:** Polly Watson Cairns, City Assessor Polly Watson  
Cairns (MMAO) Digitally signed by Polly Watson Cairns  
(MMAO)  
DN: cn=Polly Watson Cairns (MMAO), o=City  
of Traverse City, ou=Assessing Department,  
email=p.watson@traversecitymi.gov, c=US  
Date: 2016.01.06 13:07:20 -0500

**SUBJECT:** PILOT- Payment in Lieu of Tax – Bay Hill I of 600 Bay Hill Dr.  
Parcel ID: 28-51-110-045-00  
Request from Hollander Development Corporation

**DATE:** January 6, 2016

---

It is acknowledged that this request is a proper public purpose to provide low income housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with City Ordinance No. 431, now Chapter 881 - Low Income Housing Tax Exemption, and State Housing Development Act of 1966 (1966 PA 346, as amended, MCL 125.1401, et seq).

City of Traverse City is authorized by this Act to establish or charge service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed taxes that would be paid but for this Act.

In lieu of normal property taxes, an annual service charge for public services is paid. This payment in lieu of taxes (pilot) is based on the requested ten percent (10%) of the net shelter rents received after allowance for utilities paid, as is typical City policy. That charge shall not exceed the amount that normal taxes would have generated. Payment in lieu of tax is spread amongst the various taxing units in the manner consistent with State Statute.

*Hollander Development Corporation is requesting feedback on three (3) possible scenarios for an amendment to the current Resolution with Bay Hill I*

*PILOT History for Bay Hill I (Copies of Resolutions attached)*

- *December 4, 1995, Original Resolution granted for 30% of Bay Hill I units dedicated for Persons of Low Income, at a PILOT service charge of 10%, expiring December 31, 2027.*
- *December 18, 2006, approved amended 10% service fee PILOT, increased to 60% of Bay Hill I units dedicated for Persons of Low Income, at a PILOT service charge of 10%, expiring December 31, 2027.*

Hollander Development Corporation is requesting the following amendments to the existing PILOT:

- Extending the existing term an additional 25 years
- Amending the existing 10% PILOT to 6% PILOT, for 90 of the 150 units, and including a Municipal Service Charge (MSA)

Based on the 2015 annual payments, at the current 10% PILOT, the City's allocation received is approximately \$15,900, or \$248 per unit, based on the 90 units, for the 2015 collection year.

A 6% PILOT amendment change estimates \$9,900 for the City's portion, based on previous year's rental information, or \$155 per unit, based on the 90 units per 2015 reporting.

*A location map included below, for visual purposes.*





January 6, 2016

BY EMAIL

Hon. James Carruthers, Mayor  
and City Commissioners  
City of Traverse City  
400 Boardman Avenue  
Traverse City, Michigan 49684

RE: Bay Hill Apartments

Dear Mayor Carruthers and Commissioners:

We are writing this letter to request that the Commission amend the ordinance which establishes a payment in lieu of taxes (PILOT) for the Bay Hill housing development. The amendment would:

1. Extend the existing ordinance from January 15, 2015, to December 31, 2065;
2. Provide for a service charge on the 90 rent and income restricted apartments in an amount which supports the feasibility of the development; and
3. If the Commission so chooses, incorporate into the service charge an emergency services fee to the City.

Bay Hill is undergoing extensive renovations to the apartments, buildings and grounds including many features which improve energy efficiency. A detailed scope of work was previously provided to staff.

MSHDA provided the financing and awarded low income housing tax credits to make the renovations possible. In connection with that financing, MSHDA has requested that the duration of the existing PILOT ordinance be extended to December 31, 2065.

Bay Hill consists of 150 apartments originally constructed in 1996. 90 of those apartments are restricted to occupancy by households earning no more than 60% of area median income. The remaining 60 apartments are regulated by MSHDA but are essentially market rate. The existing PILOT ordinance reflects these restrictions-no change is contemplated.

Mayor Carruthers and  
City Commissioners  
January 6, 2016  
Page Two

MSHDA's determination of the feasibility of the refinancing is based, among other things, upon the assumption that real estate taxes on the "market rate" units and the PILOT on the rent and income restricted units would total about \$135,000 for the first full operating year following renovations (2016).

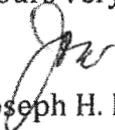
As a part of the refinancing of Bay Hill, there was a change in ownership which uncapped the taxable value. While this is not a part of the discussion with the City Commission, the feasibility of the development may be dependent upon the establishment of a new service charge. MSHDA assumed a 10% PILOT which produces a service charge of about \$55,000 during the first full operating year.

We are familiar with emergency service fees and have included them in arrangements with several communities where our housing developments are located. However, the amount of the fee when added to the PILOT and the taxes on the market rate units must fall within the limits establishing the feasibility of the development.

We look forward to a discussion about this at the study session on January 11<sup>th</sup>.

Thank you for your consideration.

Yours very truly,

  
Joseph H. Hollander

cc. Marty Colburn, Polly Cairns



**RESOLUTION AMENDING THE 1995 RESOLUTION  
GRANTING PARTIAL TAX EXEMPTION FOR  
BAY HILL HOUSING DEVELOPMENT**

**WHEREAS**, on December 4, 1995, the City Commission enacted City Ordinance No. 431, which establishes a class of housing developments pursuant to the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401 et seq.; MSA 16.114(1) et seq.) which are exempt from the payment of property taxes and in lieu thereof pay a service charge; and

**WHEREAS**, on December 4, 1995, the City Commission, pursuant to Ordinance No. 431, resolved that a development known as **Bay Hill** (now known as Bay Hill I) was within the class of housing developments entitled to an exemption under Section 4 of Ordinance No. 431 (now §881.04), and determined that 30% of that project units are dedicated for housing of Persons with Low Income as defined by §881.03 of the Ordinance and the United States Department of Housing and Urban Development and as such pay a service charge in lieu of taxes of 10% of the Annual Shelter Rent (the "1995 Resolution"); and

**WHEREAS**, there are units in addition to the 30% minimum which are in fact occupied by Persons of Low Income, and the City Commission wishes those units to pay the service charge of 10% of the Annual Shelter Rent.

**NOW THEREFORE, IT IS HEREBY RESOLVED** as follows:

That the 1995 Resolution to Bay Hill Housing Development is amended as follows:

1.c. For the life of the Mortgage Loan, or for so long as the Authority or another governmental agency has an interest in the property sixty percent (60%) of the dwelling units in the proposed Housing Development shall be restricted to occupancy by Persons of Low Income as defined in Section 881.03 of the Ordinance and by the United States Department of Housing and Urban Development. Rental rates for these dwelling units will be similarly restricted.

1.d. Income restrictions on the remaining dwelling units will be either nominal or nonexistent and there will be no restrictions on rental rate. These remaining units may in fact be rented to Persons of Low Income whom pay the unrestricted rental rate.

2.c. This exemption and the annual service charge shall expire on December 31, 2027, or such earlier time if less than 60% of the dwelling units are used for low income families.

8. Any savings to the Sponsor of Bay Hill I as a result of the 10% service fee shall be passed along, dollar for dollar, to the affected residents in the form of reduction from the standard market rent to those residents who are occupying standard rent units and who are in fact low income families.

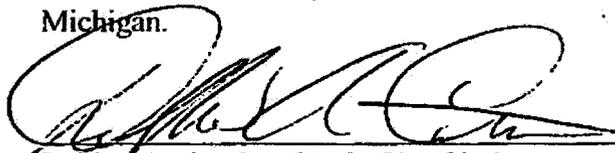
Except as modified herein, the previous resolution of December 4, 1995 shall remain unaltered and unamended.

Moved by Hardy and supported by Soffredine to adopt the foregoing Resolution.

YEAS: Bergman, Hardy, Schmidt, Scrudato, Soffredine, Smyka.

NAYS: None.

I hereby certify that the above Resolution was adopted by the Commission City of Traverse City at its regular meeting held on December 18, 2006, in the commission chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.



Debra A. Curtiss, CMC, City Clerk

RESOLUTION  
GRANTING TAX EXEMPTION FOR  
BAY HILL HOUSING DEVELOPMENT

WHEREAS, on December 4, 1995, the City Commission enacted City Ordinance No. 431, which establishes a class of housing developments pursuant to the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401 et seq.; MSA 16.114(1) et seq.) which are exempt from the payment of property taxes and in lieu thereof pay a service charge; and

WHEREAS, Bay Hill Limited Dividend Housing Association Limited Partnership whose address is 834 King Highway, Suite 104, Kalamazoo, MI 49001, has applied to the City for a determination that a proposed multiple family development sponsored by it, and to be known as "Bay Hill", is entitled to the exemption from taxes authorized by Ordinance No. 431; and

NOW THEREFORE, it is hereby resolved as follows:

1. That the proposed housing development to be known as Bay Hill sponsored by Bay Hill Limited Dividend Housing Association Limited Partnership (the Sponsor) and which is to be located on Permanent Parcel No. 2805111004500, is within the class of Housing Developments entitled to an exemption under SECTION 4 of Ordinance No. 431, based upon the following determinations:

a. The proposed Housing Development will be constructed after the effective date of ordinance No. 431, and not later than December 31, 1997.

b. The proposed Housing Development will receive construction and permanent financing from the proceeds of bonds sold by the Michigan State Housing Development Authority, the interest on which will be exempt from both federal and state taxes.

c. For the life of the Mortgage Loan, or for so long as the Authority or another governmental agency has an interest in the property, ten percent (10%) of the dwelling units in the proposed Housing Development will be restricted to occupancy by households in which total income will not exceed thirty percent (30%) of the median income of Grand Traverse County and an additional twenty percent (20%) of the units will be restricted to occupancy by households in which total income will not exceed fifty percent (50%) of the median income of Grand Traverse County. Rental rates for these dwelling units will be similarly restricted.

11-2-97

d. Income restrictions on the remaining seventy percent (70%) of the dwelling units will either be nominal or nonexistent and there will be no restrictions on rental rate.

e. Prior to commencement of construction, the Sponsor shall provide satisfactory evidence to the City that it has received a reservation from the Authority of low income housing tax credits under §42 of the Internal Revenue Code of 1986.

2. That in lieu of taxes, the Sponsor of Bay Hill shall pay an annual service charge. The service charge to be paid for that portion of the Housing Development which is occupied by other than Persons of Low Income shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt. The service charge to be paid for that portion of the Housing Development occupied by Persons of Low Income shall be as attached hereto and marked "Attachment A."

a. Commencing in the sixth year, the Sponsor shall pay an annual service charge equal to ten percent (10%) of Annual Shelter Rents for that portion of the Housing Development Occupied by Persons of Low Income, plus an amount sufficient to repay in 14 equal annual installments, including simple interest at the rate of six percent (6%) per annum, the portion of the service charge deferred during the first five years, including simple interest of six percent (6%) per annum, which amount is agreed to be \$8,650 per year.

b. The Sponsor shall at or before the time of giving notice required under §15a(1) of the State Housing Development Authority Act of 1966, as amended, deliver to the City an escrow agreement with MSHDA and evidence of payment of the escrowed amount to the escrow agent. The escrow shall be to guarantee payment of the flat amount due each year as above required. Until such escrow is created, the parties agree that there shall be no delivery of the notice required under §15a(1) of the Act. The Sponsor shall provide the City Treasurer, at least semi-annually, or more often if requested by the City, with evidence deemed sufficient by the City Treasurer which indicates the current balance of the escrow and tax escrow account maintained by MSHDA for Bay Hill. If the City Treasurer determines that the funding level of the escrow or tax escrow accounts is likely to result in the Sponsor's failure to pay the annual service charge or flat amount when due, the City Treasurer shall notify the Sponsor and the Sponsor shall then have thirty (30) days to fund the escrow to its proper level, failing which, this Resolution and the exemption shall terminate without further notice in accordance with §5.

c. This exemption and the annual service charge shall expire on December 31, 2027, or such earlier time if less than 30% of the dwelling units are used for low income families.

3. That in granting applications for occupancy in the Housing Development, the Sponsor shall give first priority to those qualified applicants who are Traverse City Residents. Traverse City Resident means a person who is a registered voter of Traverse City.

4. That the Sponsor shall provide the City Assessor with a copy of the independent annual audit furnished to the Authority which covers the prior year's operation of the Housing Development within 120 days of the end of Sponsor's fiscal year, which shall be the same as the calendar year. If the audit discloses that the service charge paid in the prior year for that portion of the Housing Development occupied by Persons of Low Income was greater or less than the percent of Annual Shelter Rents required to be paid by this Resolution, the Sponsor shall pay any shortfall or receive a credit against the current year's service charge as appropriate.

5. That this Resolution and the exemption is automatically revoked if the tax escrow or escrowing required by this ordinance is not adequately funded, or if all or any part of the service charge or flat amount is not paid when due, and after 30 days' written notice to the Sponsor at its above address or such other address as it may designate in writing to the City Assessor.

6. That all portions of Ordinance No. 431 are hereby incorporated by reference.

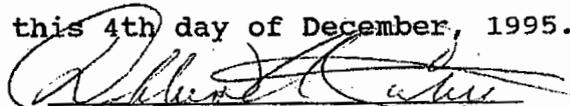
7. This Resolution may be assigned by the Sponsor only to subsequent owners of the Housing Development who shall agree to abide by its terms. If not assigned to and accepted by subsequent owners of the Housing Development, it shall automatically terminate.

Moved by Peltz and supported by Boynton to adopt the foregoing Resolution.

YEAS: 6

NAYS: 1

This Resolution was adopted this 4th day of December, 1995.

  
Debra Curtiss  
City Clerk

---

# Memorandum

The City of Traverse City



---

To: Marty Colburn, City Manager  
From: William E. Twietmeyer, City Treasurer/Finance Director *W.E.T.*  
Subject: Human Resources Director  
Date: August 11, 2015

Now that we have the Human Resources Generalist position filled, I want to encourage you to take a look at the Human Resources Director position. I made an appeal to the City Commission during the budget study sessions that they consider budgeting for this position in the 2015-2016 fiscal year. Unfortunately at the meeting for adoption of the budget, a last minute maneuver by the City Commission resulted in the elimination of that position from the current year budget with the expectation by the City Commission that the new City Manager could evaluate the need for the position and could approach the City Commission at a later date with such a request.

The following are some of the key highlights that I made to the City Commission during the budget study sessions which initially caused them to support the Human Resources Director position in the budget. First and foremost, the City always had two positions in the Human Resources department to handle all the personnel matters for the approximately 200 full time employees of the City, (which also included Light & Power). This does not include the various part time or seasonal employees that are hired by several departments. Second, the last Human Resources Director was let go as part of a budget saving move in the 2010-2011 fiscal year budget and the various job responsibilities were parceled out to other individuals as additional responsibilities for them. The job responsibilities that were assumed by others tended to be the ones that were critical in nature. The other responsibilities were left unattended or given little attention. Third, one major reason for Light & Power hiring it's own human resources person was the fact that we had only one person left in the department and that we could not meet all their training needs with only one person in the department. Fourth, I pointed out to the City Commission that the Human Resources Director is an integral part of the negotiation process in that the director helps with strategy and the writing of proposed language for the collective bargaining agreements. This will become very critical next year with six collective bargaining agreements expiring on June 30, 2016. Fifth, the Human Resources Director is key in the recruitment and interviewing process, the disciplinary process, the grievance process, training opportunities, orientation for new hires, retirement processing, evaluation of workforce size and responsibilities, discussion with vendors to provide various insurance products for the cheapest cost, and overall knowledge of the plethora of state and federal employment laws that must be adhered to. Attached is a copy of the last job description that I have for the Human Resources Director position. Please let me know if you would like to discuss this further or if I can provide you with additional information while you deliberate the merits of filling this position.

**CITY OF TRAVERSE CITY**  
**Job Description**

**HUMAN RESOURCES DIRECTOR**

**Supervised By:** City Manager  
**Supervises:** Human Resources Assistant

**General Summary:**

Under the general supervision of the City Manager, manages the City's employment services. Oversees the development and implementation of personnel policies. Participates in negotiations and administers collective bargaining agreements. Administers the City's employee compensation and benefit programs.

**Essential Job Functions:**

An employee in this position may be called upon to do any or all of the following essential functions. These examples do not include all of the duties which the employee may be expected to perform. To perform this job successfully, an individual must be able to perform each essential function satisfactorily.

Serves as a member of the City's collective bargaining team. Proposes and drafts contract language, and studies and reports on the potential cost and service impacts of proposed provisions. Ensures consistency between union contracts. Administers all collective bargaining agreements and employee contracts.

Directs and participates in the recruitment, hire, discipline and discharge of City employees. Develops and places recruitment advertising. Reviews applications, conducts interviews and performs reference checks on applicants. Oversees the proper maintenance and access to personnel files.

Administers the employee compensation program. Oversees payroll development, leave time accruals and benefits programs. Conducts surveys and job analyses to develop job descriptions and pay ranges. Updates and maintains the City's wage ranges and benefits.

Develops, facilitates and implements personnel policies and procedures.

Ensures compliance with all applicable State and Federal laws and City policies and procedures related to personnel administration. Serves as the City's Equal Employment Opportunity Coordinator. Maintains necessary records and information, analyzes data, and compiles reports required by regulatory agencies and City administration.

Oversees staff training programs. Ensures employees are properly trained to perform their job professionally and safely.

Provides advice and information to elected officials, department heads, employees and the public, related to personnel administration, policies and procedures.

Develops and administers employee benefit programs, insurance and retirement contracts

including worker's compensation, unemployment, health, life and disability insurance, and deferred compensation and defined benefit retirement programs. Serves as the liaison with providers and maintains agreements.

Prepares the annual budget request for the department's operations. Ensures adherence to the approved budget.

Hires, trains, directs and evaluates department employees. Supervises the activities of the Human Resources Assistant.

Provides guidance and counseling to employees and supervisors on matters related to employment, policies, procedures, training, benefits and general human resources issues. Acts as mediator or facilitator to resolve personnel conflicts.

Performs related work as required.

**Required Knowledge, Skills, Abilities and Minimum Qualifications:**

The requirements listed below are representative of the knowledge, skills, abilities and minimum qualifications necessary to perform the essential functions of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the job.

Education requirements include a Bachelor's degree or equivalent in human resources, labor relations, public or business administration or related field.

Experience requirements include five years of labor relations, personnel administration and related experience, including supervision.

Thorough knowledge of labor negotiations, contract administration, mediation, and arbitration.

Thorough knowledge of the laws, statutes and regulations pertaining to employee recruitment, hiring, discharge, record keeping, training, payroll, insurance and retirement.

Thorough knowledge of personnel administration techniques and practices.

Skill in counseling employees and developing appropriate personnel recommendations.

Skill in conducting interviews and selecting the most qualified applicants.

Skill in maintaining and updating records and documents.

Ability to maintain records and prepare comprehensive reports on all matters related to personnel administration.

Ability to establish effective working relationships and use good judgement, initiative and resourcefulness when dealing with employees, City Commission members, other officials, insurance providers and the public.

Ability to communicate effectively and present ideas orally and in writing.

Ability to solve problems and develop recommendations to address personnel issues.

Ability to work effectively under stress and changes in work priorities.

Ability to oversee and direct the work of others.

**Physical Demands and Work Environment:**

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to talk or hear. The employee frequently is required to use hands to finger, handle, or feel and reach with hands and arms. The employee occasionally is required to travel to other locations. The employee must frequently lift and/or move light weight items. Specific vision abilities required by this job include close vision, distance vision, peripheral vision, depth perception, and ability to adjust focus.

While performing the duties of this job, the employee regularly works in a business office setting. The noise level in the work environment is usually quiet to moderate.

September 2007