

**Harbor Springs City Council Minutes
February 4, 2008**

Mayor Jardine called the seventh meeting of the Harbor Springs City Council to order at 7:00 pm, in the City Council Chambers at 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum

Present: Jean Jardine, Laura Kors and Pringle Pfeifer

Absent: Michael K. Heinz

There is one vacancy on City Council.

Also Present: City Attorney James T. Ramer, City Manager Frederick W. Geuder, Police Chief Daniel J. Branson, City Assessor Tim Grimm and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following changes were requested to be made to the January 21, 2008 regular meeting minutes:

1. Page 2, Item 4, first paragraph, last sentence, the word "Building" should not be capitalized.
2. Page 2, Item 4, in Motion #7399, the word "building" should be capitalized.
3. Page 3, Item 5, second paragraph, first sentence, the comma after "Dave Irish" should be omitted.
4. Page 3, Item 5, in Motion #7400, the word "regatta" should be capitalized both times.

#7403 – Motion by Pfeifer, second by Kors, to approve the January 21, 2008 regular City Council meeting minutes as amended.

Ayes – 3

Nays – 0

B. Approval of Bills

I have examined the bills appearing on the vouchers below and recommend they be allowed and payment be made from the following funds:

Voucher Number	Description	Fund Name	Amount
7439	Payroll Ending 1/20/08	General Fund	\$30,286.87
		Major St. Fund	1,553.70
		Local St. Fund	545.95
		Historical Fund	432.80
		Electric Fund	13,013.22
		Water & Sewer Fund	8,258.36
		Waterfront Fund	543.93
		Equipment Fund	2,264.60
7440	Trust Payouts 1/1/08 – 1/31/08	Trust Fund	\$288,644.84

7441	Vehicle PPE 12/24/07	Electric Fund Water & Sewer Fund	\$121.94 181.76
7442	Sales & State Withholding Taxes Dec 2007	General Fund Electric Fund	\$3,842.83 13,747.13
7443	Accounts Payable Council 2/4/08	General Fund Major Street Fund Local Street Fund Police Reserve Fund Historical Fund Electric Fund Water & Sewer Fund West Traverse Water Waterfront Fund Equipment Fund	\$16,112.90 467.30 467.30 40.00 24,116.24 180,682.11 11,908.72 0.00 227.12 3,251.33

#7404 – Motion by Pfeifer, second by Kors, to approve the bills in the amount of \$600,710.95, which includes the \$23,501 Village Press invoice not originally entered.

Ayes – 3
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7439, #7440, #7441, #7442 and #7443, checked by the Finance Committee, in the amount of \$600,710.95 be allowed for payment, and the City Manager and the Mayor are hereby authorized to execute warrants to be drawn on the following funds:

General Fund	\$50,242.60
Major Streets Fund	2,021.00
Local Streets Fund	1,013.25
Police Reserve	40.00
Historical Fund	24,549.04
Electric Fund	207,564.40
Water & Sewer Fund	20,348.84
West Traverse Water Fund	0.00
Waterfront Fund	771.05
Equipment Fund	5,515.93
Trust Fund	288,644.84

Total	\$600,710.95
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3. Citizen Comments

None

4. Annual Assessor's Report

City Manager Geuder stated that Assessor Tim Grimm was at the meeting to give Council a presentation on the City's assessments. With declining market values all over the State of Michigan and much of Emmet County, one would think that the City of

Assessor Grimm reviewed the assessing process. He discussed the sales studies and their importance. In Harbor Springs, the residential sales study requires the City to increase its overall residential assessments six percent (6%) over 2007. Sales below the bluff have overall been strong, greater than six percent. Sales above the bluff north to the City limits indicate only about a one percent (1%) increase in value. Assessor Grimm reviewed the "L-4022" form showing the change of assessment from 2007 to 2008 and the "L-4022 - Taxable" form showing the change of taxable value from 2007 to 2008.

Assessor Grimm discussed the Board of Review and the process that they follow to review claims that a property may have been over assessed. The evidence that needs to be presented is:

- a. an appraisals;
- b. comparable sales in a neighborhood; or
- c. proof that specific items included in an assessment are not correct.

Assessor Grimm shared the accomplishments and improvements in the assessing area over the past several years which enable him to keep records up to date and provide documentation to support an assessment.

Assessor Grimm discussed poverty exemptions with Council members. He reviewed the process that the Board of Review must follow in order to grant a poverty exemption. Further, he reviewed the requirements for a poverty exemption and the previously adopted City policy.

Assessor Grimm addressed Council members' questions and concerns.

5. Headlee / Proposal A Discussion

City Manager Geuder stated that he received a memorandum from the City Clerk explaining the process of how both the "Headlee Amendment" and "Proposal A" works. He stated that he had previously been in error and the City does benefit by collecting property taxes from new construction. Further, he noted that for the next few years that it appears the City should be fine. However, it is imperative that the City watch that the gap between the Headlee maximum millage allowed and the actual millage levied.

The difference between the Headlee maximum millage rate and the actual millage levied would be reduced if programs or other expenses are increased to a level that exceeds inflation. Manager Geuder stated that the City has to continually monitor costs.

6. Closed Session

Mayor Jardine stated that she would like to go to Closed Session to consult with the City Attorney on the City's legal strategy relating to the David and Mary Wood Law Suit.

#7405 – Motion by Kors, second by Pfeifer, to go to Closed Session under Section 8(e) of Public Act 267 of 1976 (the "Open Meetings Act"), as amended, to consult with the City Attorney to review legal strategy relating to the Woods vs. the City of Harbor Springs law suit.

Ayes – Jardine, Kors and Pfeifer
Nays – None
Absent: - Heinz

Mayor Jardine recessed the Open Session at 8:07 p.m. to go to Closed Session.

Mayor Jardine called the Open Session back to order at 8:29 p.m.

7. Resolution to Hold a Planning Commission Public Hearing

City Attorney Ramer presented Council with a Resolution setting forth the conditions by which the Planning Commission would hold a public hearing on proposed changes to the proposed Harbor Spring's Hotel Site Plan, the Special Use Permit, the Conditional Zoning Approval and the Planned Unit Development Permit at 266 East Main Street.

#7407 – Motion by Kors, second by Pfeifer, to approve the Resolution, as presented, setting forth the conditions that need to be met for the Planning Commission to hold a public hearing on the proposed changes to the Site Plan, the Special Use Permit, the Conditional Zoning Approval and the Planned Unit Development Permit for the proposed Harbor Springs Hotel.

Ayes - Kors, Pfeifer and Jardine
Nays - None
Absent - Heinz

8. Board and Commissions

A. Planning Commission (PC)

Mayor Jardine announced that the next scheduled PC meeting is scheduled for 6:00 p.m., Thursday, February 21, 2008 in the City Council Chambers.

B. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the ZBA meeting scheduled for 5:30 p.m., Wednesday, February 13, 2008, has been cancelled. The next ZBA meeting is scheduled for 5:30 p.m., Wednesday, March 12, 2008.

C. Appointments to Boards and Commissions

Mayor Jardine stated that she had no appointments to make at the current time.

D. Next City Council Meeting

Mayor Jardine announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, February 18, 2008 in the City Council Chambers.

9. Old and New Business

None.

10. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:31 p.m.

Approved: February 18, 2008

Ronald B. McRae, City Clerk

Jean Jardine, Mayor

**RESOLUTION
OF
THE CITY COUNCIL OF
THE CITY OF HARBOR SPRINGS
(a Michigan municipal corporation)**

February 4, 2008

WHEREAS, the City is involved in a lawsuit filed by David and Mary Wood concerning zoning approvals for a condo-hotel project proposed by Harbor Springs Hotel, LLC for property located at 266 East Main Street and Bay Street in the City; and,

WHEREAS, the City has received an application from Harbor Springs Hotel, LLC to amend the site plan for the condo-hotel project; and,

WHEREAS, the adjacent land-owners, David and Mary Wood, have approved such amended site plan, in writing; and,

WHEREAS, the attorneys for Harbor Springs Hotel, LLC and David and Mary Wood have represented that a comprehensive agreement concerning the procedure for the City to consider such proposed amendment to the site plan, that will be satisfactory to the City Attorney and the City Manager, can be attained by February 8, 2008; and,

WHEREAS, based on such representations, the City Council has agreed to schedule a public hearing on the proposed amended site plan before the Harbor Springs Planning Commission at its meeting of February 21, 2008; and,

WHEREAS, it is the understanding and agreement of counsel for Harbor Springs Hotel and for David and Mary Wood that if such a comprehensive agreement concerning the procedure for the City to consider such proposed amendment to the site plan is not timely achieved, in writing, in a form and substance completely satisfactory to the City Attorney and the City Manager, that such public hearing will be canceled;

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

A public hearing on Harbor Springs Hotel's proposal to amend its Site Plan, the Special Use Permit, the Conditional Zoning Approval and the Planned Development Permit for the condo-hotel approved for the property at 266 East Main Street and Bay Street in the City of Harbor Springs shall be scheduled before the Harbor Springs Planning Commission at its meeting of February 21, 2008; and,

If a comprehensive agreement concerning the procedure for the City to consider such proposed amendment to the site plan, satisfactory to the City Attorney and the City Manager in all respects, is not timely achieved by February 8, 2008, or such later date, as determined appropriate by the City Attorney and City Manager, such public hearing shall be canceled.

Ayes: _____

Nays: _____

Abstain: _____

I hereby certify that the above Resolution was passed by the City Council of the City of Harbor Springs at a regular meeting held on February 4, 2008.

Ronald B. McRae, Clerk