

February 6, 2006

Mayor Jardine called the sixth 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, Jim Grogan, Mick Heinz, Laura Kors and Dennis Wiggins

Absent: None

Also Present: City Attorney James Ramer, City Manager Fred Geuder, City Police Chief Dan Branson, and City Clerk Ron McRae.

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#7125 – Motion by Kors, second by Grogan, to approve the January 16, 2006 regular City Council meeting minutes, as read.

Ayes – 5

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:

#7261 – Trust	Payouts	\$964,792.69 General Fund 68.64 Electric Fund
#7262 – A/P	Sales Tax Dec. 2005	\$ 5,051.97 General Fund 12,811.26 Electric Fund
#7263 – Payroll	P.P.E. 1/22/06	\$ 28,978.74 General Fund 2,051.36 Major St Fund 755.60 Local St Fund 422.40 Historical Fund 12,038.25 Electric Fund 7,329.00 W & S Fund 761.30 Waterfront Fund 1,857.70 Equipment Fd
#7264 – Trust	Payouts 1/1-1/15/06	\$ 19,991.51 Trust Fund
#7265 – A/P	No Council 1/30/06	\$ 5,811.34 General Fund 191.94 Historical Fund 1,406.30 Electric Fund 728.46 W & S Fund 324.45 Waterfront Fd 1,554.50 Equipment Fd
#7266 – A/P	Council 2/6/06	\$ 22,256.83 General Fund 105.31 Major St Fund 3,801.31 Local St Fund 130.00 Police Res Fd 66.20 Historical Fund 1,327.03 BA Const Fd 207,291.62 Electric Fund 2,495.53 W & S Fund 5,129.84 Waterfront Fd 8,867.09 Equipment Fd
#7267 – Trust	Payouts 1/16 – 1/31/06	285,475.34 Trust Fund

#7126 – Motion by Wiggins, second by Kors, to approve the bills in the amount of \$1,603,873.51.

Ayes – 5
Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7261, #7262, #7263, #7264, #7265, #7266, and #7267, checked by the Finance Committee, in the amount of \$1,603,873.51 be allowed for payment, and the City Manager and the Mayor are hereby authorized to execute warrants to be drawn on the following funds:

Trust Fund	\$1,270,259.54
General Fund	62,098.88
Major Streets Fund	2,156.67
Local Streets Fund	4,556.91
Police Reserve Fund	130.00
Historical Fund	680.54
B.A. Construction Fund	1,327.03
Electric Fund	233,616.07
Water & Sewer Fund	10,552.99
Waterfront Fund	6,215.59
Equipment Fund	<u>12,279.29</u>
Total	\$1,603,873.51 =====

3. Citizen Comments

None.

4. 2006 Calendar of Events

City Manager Geuder reviewed the 2006 Calendar of Events with Council. Manager Geuder addressed concerns and questions about the events on the Calendar. There were no objections to the events on the 2006 Calendar of Events.

Manager Geuder introduced Kathy Lott, Executive Director of the Harbor Springs Chamber of Commerce (the "Chamber"). Lott reviewed the Chamber's request for events. They are:

Bowling Down Main Street - March 31st from 1:00 p.m. to 3:00 p.m.

Street Musique – Beginning June 29th for seven Thursday evenings, ending August 10th, from 7:00 p.m. to 9:30 p.m. The program will follow a similar format as was approved for 2005.

July 4th Parade and Fireworks. The Parade will be held at 1:00 pm on Tuesday, July 4th, and will be administered by the Chamber. The Art Fair will also be held on Tuesday, the Fourth of July. The fireworks display will be administered and implemented by Colonial Fireworks of Toledo, Ohio. The fireworks display will start at dusk or approximately 10:15 p.m.

Labor Day Community Appreciation Event - Monday, September 4th from 10:00 a.m. to 3:00 p.m. The majority of the events will take place in the 100 and 200 blocks of East Main Street.

Taste of Harbor Springs – Saturday, September 23rd, from noon to 3:00 p.m. The event will take place adjacent to the Harbormaster’s Office on the waterfront.

The Merchants Christmas Open House - Wednesday, December 6th from 6:00 p.m. to 9:00 p.m. This event will require the closing of Main Street to allow for horse drawn carriage rides. Lott stated that everything possible will be done to prevent consumption of alcohol in public places and the Chamber will continue to work with Chief Branson to ensure that all local and state laws are enforced.

Men’s Night - Thursday, December 21st, which replaces “Noel Night”, is an event to draw last minute shoppers to downtown. There will be no outdoor activities.

After reviewing the events and addressing questions and concerns from Council members, the following motion was offered:

#7127 - Motion by Grogan, second by Heinz, to approve the 2006 Calendar of Events, as presented by Manager Geuder and Executive Director Lott, including the fireworks display scheduled for dusk on the Fourth of July.

Ayes - 5
Nays - 0

5. Policy Issues

City Manager Geuder stated that there were three areas where Council could consider amending the City’s policies. They are:

A. Transient Merchants Licenses

City Manager Geuder reviewed the history of the development of the Transient Merchant License Policies. Last year local artists requested to hold combined shows where their items were sold at the same time. There seemed to be no complaints from local businesses, as long as the artists were also local. However, Manager Geuder stated that he has been approached to allow out-of-town merchants to hold combined shows.

Manager Geuder stated that generally he felt the combining of out-of-town transient merchant shows should not be permitted. However, if Council wanted to allow combined shows, the shows could be limited to three days, instead of the six-day limit currently allowed, and that each vendor should still pay the required fees.

Council discussed this issue with the City Manager and the City Attorney. Council concurred that the City Manager and the City Attorney should draft a proposed policy for their consideration to allow combined shows for local artists only.

B. Outdoor Wood Burning Furnaces

City Manager Geuder stated that an inquiry for approval of an outdoor wood burning furnace installation had recently been received. Before the outdoor wood burning furnaces could be installed, the City's Code would need to be changed to permit them. Currently, the City Code does not permit them. Manager Geuder stated that he believed the outdoor wood burning furnaces would be considered "accessory buildings" if permitted, and would be subject to the set back requirements for accessory buildings, at a minimum.

City Attorney Ramer stated that he has done some checking and there are communities that allow the use of outdoor wood burning furnaces with restrictions. There are also communities that don't permit them at all. Manager Geuder stated that he would like direction from Council.

Council discussed this issue with the City Manager and the City Attorney. Councilperson Wiggins was not receptive to having one installed next door to his home because the chimneys on the outdoor wood burning furnaces are not high enough. Councilperson Heinz believed that there was one already installed in the City at the former home of Ted Bodzick. Further, Councilperson Heinz did not believe Council should completely prohibit wood burning furnaces because of the high cost of natural gas. Manager Geuder stated that conditions could be placed on the installation of the outdoor wood burning furnaces that would require minimum height requirements for the chimneys. Councilperson Grogan stated the height requirements may require that stabilizing wires be used to support the chimneys of the outdoor wood burning furnaces. The chimneys might not be very attractive.

Manager Geuder and City Attorney Ramer stated that the City's Code does permit indoor wood burning stoves, small campfires and brick or masonry barbeque grills. However, the barbeque grills are not twenty-four hour wood burning furnaces. They are used for short periods for cooking. As the discussion proceeded, it appeared the general consensus was that Council did not want to allow outdoor wood burning furnaces. Manager Geuder stated that the outdoor wood burning furnace at the former Bodzick home may have to be grand-fathered for its continued use. City Attorney Ramer believed that the City Code could be clarified to be more specific. After further discussion, Council members directed the City Attorney to address this issue with an ordinance to make the City Code more specific. City Attorney Ramer and Manager Geuder will draft an amendment to the City Code for Council consideration.

C. Blight

City Manager Geuder stated that he has received complaints on several homes in Harbor Springs that may be considered "blighted."

Manager Geuder asked at what point does a home become blight? He stated that he did not believe an unpainted house should be considered blight. He did state that if a house allowed unwanted access to animals, was structurally unsafe, or if children could get in it and get hurt, the house should be declared a nuisance. Further, Manager Geuder did not believe that fixing a hole with a piece of wood or metal to stop animals or children from entering the structure should be considered fixing the home.

City Attorney Ramer reviewed the City Code with Council concerning what was blight and the process for getting the blight cleaned up.

Councilperson Grogan did not believe that the City should determine blight based upon whether or not a house's appearance is deteriorated enough to require repainting, or whether a house is painted a color that a neighbor did not care for. He believes that the City Code goes far enough to determine blight. To go further would be determining blight with personal opinion.

Council discussed the issue of blight with City Manager Geuder and City Attorney Ramer. The discussion included how to handle a blight issue when a piece of property is occupied or unoccupied, and whether the home is rented or lived in by the owner. Manager Geuder suggested that City Attorney Ramer review the process of correcting a blighted property. Council concurred with the City Manager's suggestion.

6. Michigan Municipal League Conference

City Manager Geuder discussed the Michigan Municipal League (MML) Conference with Council. Manager Geuder discussed the need to register for the pre-conference sessions and the MML Conference itself.

7. Investment Resolutions

City Manager Geuder stated that City Clerk McRae had prepared two resolutions to permit the City to invest surplus funds with The Private Bank and with The Cambridge Group Investments, Ltd. firm.

Council members discussed the two financial institutions that Clerk McRae wrote the two "Resolution to Open an Investment Account with..." Clerk McRae addressed the Council members' questions and concerns concerning the two financial institutions.

#7128 – Motion by Kors, second by Heinz, to approve the "Resolution to Open an Investment Account with The Private Bank". The Private Bank is located at 38505 Woodward Avenue, Suite 1300, Bloomfield Hills, MI 48304. Further the City Clerk is authorized to execute the documentation to establish the investment account.

Ayes – Kors, Wiggins, Jardine, Grogan and Heinz
Nays – None

#7129 – Motion by Kors, second by Grogan, to approve the "Resolution to Open an Investment Account with The Cambridge Group Investments, Ltd.". The Cambridge Group Investments, Ltd. is located at 2061 Cambridge Court, Suite 140, Auburn Hills, MI 48326. Further the City Clerk is authorized to execute the documentation to establish the investment account.

Ayes – Wiggins, Jardine, Grogan, Heinz and Kors
Nays - None

8. Electric System Study Proposal

City Manager Geuder stated that our Electric System (the "System") has grown considerably since the last System study done in the late 1980s. Further, the City implemented many of the recommendations from that study. Due to the growth of the System and its increased loads, Electric Superintendent Ory believes that the City needs to study the System again.

Manager Geuder explained that this study is a review of the physical System, not the rates of the System. The electric loads of the System will be reviewed to determine if the System will need upgrades. The upgrades could be anything from the construction of an additional substation to line upgrades.

Manager Geuder is recommending that the City enter into an agreement with GRP Engineering, Inc. to study the System for \$24,000, including out-of-pocket expenses. Some mapping will be required. Manager Geuder stated that Benchmark Engineering services are needed on the mapping portion of the study. The cost of Benchmark Engineering is an additional expense to the study. He estimates the Benchmark Engineering cost to be \$2,000 to \$3,000.

Manager Geuder addressed questions and concerns about the Electric System Study from Council members. After the discussion, the following motion was offered:

#7130 – Motion by Grogan, second by Heinz, to approve an agreement with GRP Engineering, Inc. to perform an Electric System Study, pursuant to their proposal at the cost of \$24,000, including expenses. Further, to authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

Ayes – Jardine, Grogan, Heinz, Kors and Wiggins
Nays – None

9. Boards and Commissions

A. Planning Commission (PC)

Council reviewed the minutes of the January 19, 2006 PC meeting. Mayor Jardine announced that the next PC meeting is scheduled for 6:00 p.m., Thursday, February 16, 2006. The meeting will be held in the City Council Chambers. Council reviewed the agenda for the PC meeting.

B. Harbor Commission (HC)

Mayor Jardine announced that the next HC meeting is scheduled for 4:00 p.m., Wednesday, February 8, 2006. The meeting will be held in the City Council Chambers.

C. Appointments

Mayor Jardine stated that she was not ready to make any appointments at this time.

D. Emmet County Planning Commission Open House

City Manager Geuder announced that Emmet County began the process of updating the County Master Plan. He further explained that the County's Master Plan is not directly related to the City's Master Plan. The Emmet County Office of Planning and Zoning is holding a series of "open houses" on this process. One is scheduled for Thursday, February 9, 2006 at the Harbor Springs City Hall. Everyone is welcome to attend. The next City Council meeting is scheduled for 7:00 p.m., Monday, February 20, 2006, in the City Council Chambers.

E. Next City Council Meeting

The next City Council meeting is scheduled for 7:00 pm, Monday, February 20, 2006, in the City Council Chambers.

10. Old and New Business

A. Budget Process

Councilperson Wiggins questioned if the City Staff could make the budget process more understandable for Council members to understand. City Manager Geuder stated that the City Staff would rethink the process and try to come up with a more understandable format. A work session may be scheduled to discuss ideas.

B. Electric System Information

Councilperson Kors members asked if a meeting could be scheduled to help them better understand the issues of the Electric System. City Manager Geuder stated that he would review this request with Charles Fricke, the Electric Engineering Consultant for the City, to see if a presentation could be made at a special meeting.

C. CTAC Public Art Program

Councilperson Kors asked if Council could review the traveling art pieces, from CTAC at a later date. City Manager Geuder stated that he would try to set up a time to do so at a future meeting.

D. Mayor's Exchange

Mayor Jardine stated that the City has been requested to participate in the Mayor's Exchange Program by the MML. City Manager Geuder explained how the Mayor's Exchange Program worked to Council and reviewed that Harbor Springs has participated in the program with in the past. Council members agreed that we could entertain communities wanting to come and visit, but were not receptive to traveling to other communities.

11. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:52 pm.

Ronald B. McRae, City Clerk

Approved: February 20, 2006

Jean Jardine, Mayor

City Council Meeting Minutes
February 6, 2006
Attachments