

Harbor Springs City Council Minutes
February 7, 2005

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, Mick Heinz, Laura Kors and Pringle Pfeifer

Absent: Jim Grogan

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

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following corrections to the January 17, 2005 regular City Council meeting minutes were noted:

1. Item 6, page 3, second paragraph, second sentence reads, "...loud noise complaint, comply with the law..." It should read, "...loud noise complaint comply with the law..."
2. Item 8B, page 4, second sentence reads, "...could respond the same powers..." It should read, "...could respond with the same powers..."

#6996 – Motion by Pfeifer, second by Kors, to approve the January 17, 2005 regular City Council meeting minutes as amended.

Ayes – 4
 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:

#7172 – Payroll	PPE 01/23/05	\$ 15,157.69	General Fund
		1,953.90	Major Streets Fd
		818.24	Local Streets Fd
		9,897.18	Electric Fund
		5,809.86	Water & Sewer
		1,227.49	Waterfront Fund
		4,282.89	Equipment Fund
		441.37	Historical Fund
#7173 – Trust Payouts	Collection 01/01-01/31/05	\$ 264,046.29	Trust Fund
#7174 – State of Michigan	Jan '05 Sales & w/hold	\$ 3,800.38	General Fund
		13,486.33	Electric Fund

#7175 – A/P	Council Bills 02/07/05	\$ 49,395.88	General Fund
		1,943.00	Major Streets Fd
		4,278.49	Local Streets Fd
		131,483.09	Electric Fund
		27,612.35	Water & Sewer
		18,899.34	Waterfront Fund
		10,297.21	Equipment Fund
		140.00	B.A. Const Fund
		213.18	Historical Fund
		47.92	Police Reserves

#6997 – Motion by Kors, second by Pfeifer, to approve the bills in the amount of \$565,232.08.

Ayes – 4
 Nays – 0

THEREFORE, BE IT RESOLVED, that claims on voucher numbers 7172, 7173, 7174, and 7175 checked by the finance committee, in the amount of \$565,232.08 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	\$ 68,353.95
Major Streets Fund	3,896.90
Local Streets Fund	5,096.73
Electric Fund	154,866.60
Water & Sewer Fund	33,422.21
Waterfront Fund	20,126.83
Equipment Fund	14,580.10
B.A. Construction Fund	140.00
Historical Fund	654.55
Trust Fund	264,046.29
Police Reserves	<u>47.92</u>
 Total	 \$565,232.08 =====

3. Citizen Comments

None.

4. Request from the Harbor Springs Baseball Commission

City Manager Geuder stated that he had received a request from the Harbor Springs Baseball Commission for help with needed improvements and repairs to the baseball fields and facilities. Bill Montgomery, Facility Director for the Baseball Commission, was present to address questions about the requested improvements.

Council members questioned Manager Geuder about the amount of funds that the City already pays in upkeep costs and utilities. Council requested that the City Clerk prepare a schedule of costs that the City currently pays annually for maintenance and utilities of the park.

Council member Heinz stated that he would like to see what the City currently pays before making any decisions on what the City should give and the amount. Council members discussed the improvements made by the Baseball Commission and thanked Montgomery for his efforts.

#6998 – Motion by Heinz, second by Kors, to table this issue until the March 7, 2005 City Council, at which time they would like a report on the annual maintenance and utility costs that the City is currently paying annually.

Ayes – 4
Nays – 0

5. Snowmobile Regulations

City Manager Geuder stated that after a discussion between Police Chief Branson and City Attorney Ramer, Attorney Ramer determined that the City needed to update the City Code and adopt a Traffic Control Ordinance to regulate snowmobile operation within the City limits. Currently, the City does have a snowmobile policy for operating snowmobiles in the City.

City Attorney Ramer stated that the City needs to update its ordinances to stay current with State law. There has not been a problem with snowmobilers breaking laws or not following the City policy adopted in 1994. Chief Branson stated that the Police Department has had very few problems.

City Attorney Ramer stated that proposed Ordinance No. 354 is for snowmobile control. Ordinance No. 354 adopts Part 821 of the Natural Resources and Environmental Protection Act, Public Act No. 451 of 1994, as amended. Traffic Control Order No. 001-05 specifies the snowmobile route in Harbor Springs, the hours of operation and the procedure or route that a City resident needs to follow to get to the snowmobile trails out of town. Chief Branson noted that the Traffic Control Order is a restatement of the policy that has been in effect.

#6999 – Motion by Jardine, second by Heinz, to approve Ordinance No. 354, which recognizes Part 821 of the Natural Resources and Environmental Protection Act, Public Act No. 451 of 1994, as amended. The purpose of this ordinance is to provide for regulation of snowmobiles operating within the City limits of Harbor Springs.

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

#7000 – Motion by Heinz, second by Pfeifer, to approve Traffic Control Order No. 001-05, which specifies the snowmobile route in Harbor Springs, the hours of operation and the procedure or route that a City resident needs to follow to get to the snowmobile trails out of town.

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

6. Travel Expense Policy Changes

City Manager Geuder reviewed the proposed changes to the travel expense policy, and addressed questions from Council members. Manager Geuder stated that the changes he proposed are the result of changes brought about as he no longer drives a city-owned vehicle and inflationary increases. The lodging changes for a conference are a result of the convenience of staying at the conference site or nearby. To drive in and out of a larger city can be quite an inconvenience or long distance, especially in "time of travel". Council discussed this issue with Manager Geuder.

#7001 – Motion by Pfeifer, second by Heinz, to approve the revised "Travel Policy" as proposed by the City Manager.

Ayes – 4
Nays – 0

7. Implementation of Pension Plan Changes

City Manager Geuder stated that as a result of the labor agreements, we have contacted the Municipal Employees' Retirement System of Michigan (MERS) to switch pension plans. In order to switch pension plans from the existing defined contribution 401(a) Money Purchase Trust Plan and the 457 Deferred Compensation Plan to the MERS Defined Benefit Plan, Council needs to approve four separate resolutions. The four resolutions are:

- A. Resolution for Adopting Municipal Employees' Retirement System of Michigan Defined Benefit Programs
- B. Resolution Directing Electronic Payment of Invoices to the Municipal Employees' Retirement System
- C. MERS Resolution for Adopting Act No. 88
- D. Resolution for Defining a Day of Work or Hours per Month for MERS Retirement Purposes

Manager Geuder explained that the January 1, 2005 actuarial review required that the employees pay an estimated 4.33% towards their pension plan. The employees' share can still go up or down based on the market value of assets.

Council reviewed each of the resolutions with the City Manager and also asked City Attorney Ramer if he felt comfortable with the proposed pension plan. City Attorney Ramer stated he was comfortable with the MERS Defined Pension Plan as proposed.

#7002 – Motion by Heinz, second by Pfeifer, to approve the "Resolution for Adopting Municipal Employees' Retirement System of Michigan Defined Benefit Programs" which approves the "Membership Agreement". This sets forth the benefit program formula for the employees, specifies the initial required employee contribution based on the actuarial study dated January 1, 2005, and sets the effective date of the Defined Benefit Plan at March 1, 2005. Further, to authorize the City Manager to execute the "Membership Agreement".

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

#7003 – Motion by Pfeifer, second by Heinz, to approve the “Resolution Directing Electronic Payment of Invoices to the Municipal Employees’ Retirement System”, which authorizes the City Clerk to pay MERS invoices electronically subject to initiation of the MERS program.

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

#7004 – Motion by Jardine, second by Pfeifer, to approve the “MERS Resolution for Adopting Public Act No. 88”, which allows the City of Harbor Springs to become a reciprocal unit under the Reciprocal Act and directs the City Clerk to file a certified copy of this Resolution within ten days with the Michigan Department of State and MERS.

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

#7005 – Motion by Pfeifer, second by Kors, to approve the “Resolution for Defining a Day of Work or Hours per Month for MERS Retirement Purposes”, which sets the minimum amount of time (forty hours) an employee must work each month to receive a pension contribution from the City of Harbor Springs for that month.

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

8. Purchase of Asphalt Hot Patch Trailer

City Manager Geuder stated that Department of Public Works Superintendent Rick Ward had received two quotes for the purchase of an asphalt hot patch trailer. One quote was from Spaulding Manufacturing, Inc. for \$10,200 for a propane gas fired unit and \$11,600 for a diesel fired unit. The second quote was from Falcon RME for \$12,350 for a propane gas fired unit and \$13,750 for a diesel fired unit.

Manager Geuder stated that \$13,000 was budgeted for the asphalt hot patch trailer. There are some factors that have come to light that may cause the DPW to request the diesel-fired trailer rather than the propane gas fired trailer. If the trailer were purchased from Spaulding Manufacturing, Inc., the cost for a diesel-fired unit still does not exceed the budgeted amount.

Because Superintendent Ward has not finished his review to determine which type of fuel he believes would be best for the asphalt hot patch trailer, Manager Geuder recommended that Council authorize the purchase of the asphalt hot patch trailer from Spaulding Manufacturing, Inc., for up to \$11,600.

#7006 – Motion by Kors, second by Pfeifer, to approve the purchase of the asphalt hot patch trailer from Spaulding Manufacturing, Inc. not to exceed a cost of \$11,600.

Ayes – 4
Nays – 0

9. Resolution to Approve the Capitalization Policy

City Manager Fred Geuder stated that the Capitalization Policy directs the Comptroller as to how to record an item purchased. By establishing the monetary limits of what should be an asset or an expense, the Capitalization Policy determines how a purchase is recorded.

This helps the City to establish the value of assets to ensure there is adequate insurance coverage and provides guidelines for the recording of expenses to keep the City in compliance of GASB 34, which is a requirement of the Governmental Accounting Standards Board.

City Manager Geuder and City Clerk McRae addressed the questions and concerns of Council. After the discussion the following motion was offered:

#7007 – Motion by Jardine, second by Heinz, to approve the “Resolution to Approve the Capitalization Policy for the City of Harbor Springs”, as presented.

Ayes – 4

Nays – 0

10. Boards and Commissions

A. Planning Commission (PC)

Council reviewed the minutes of the January 20, 2005 PC meeting. Mayor Jardine announced the next PC meeting is scheduled for 6:00 pm, Thursday, February 17, 2005. The meeting will be held in the Council Chambers.

B. Harbor Commission (HC)

Council reviewed the minutes of the January 19, 2005 HC meeting. Mayor Jardine announced the next HC meeting is scheduled for 4:00 pm, Wednesday, February 16, 2005. The meeting will be held in the Council Chambers. Mayor Jardine also stated that she received the resignation of George Kilborn from the HC.

C. Next City Council Meeting

The next regular City Council meeting is scheduled for 7:00 pm, Monday, February 21, 2005. The meeting will be held in the Council Chambers at 160 Zoll Street, Harbor Springs, MI 49740.

11. Old and New Business

A. Review of the Emmet County DPW Recycling Report for the First Quarter

Council members discussed the Recycling Report from Elisa L. Seltzer, Director of the Emmet County DPW. Council members stated that they would like to see the IGA parking lot recycling area report.

B. Energy Changes with Deregulation

Council discussed the memorandum from City Manager Geuder dealing with the evolution of the electric industry because of deregulation and its effect on the Municipal Public Power Agency Power Pool. One of the upcoming issues is that the Lansing Board of Water and Light is considering the option of withdrawing from the Power Pool. They are considering changing their marketing strategy for the sale of their power.

Such a move could result in higher electric cost to the City of Harbor Springs. Manager Geuder believes that it is a "given" that deregulation will cause electric prices to go higher.

12. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:21 pm.

Approved: February 21, 2005

Ronald B. McRae, City Clerk

Jean Jardine, Mayor

City Council Meeting Minutes
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Attachments