

February 20, 2006

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, Jim Grogan, Mick Heinz, Laura Kors and Dennis Wiggins

Absent: None

Also Present: City Attorney James Ramer, City Manager Fred Geuder, City D.P.W. Superintendent Rick Ward, and City Clerk Ron McRae.

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

Councilperson Grogan asked that the following paragraph be inserted in the minutes on page 7, Item 10E:

“E. Message on Utility Bills

Councilperson Grogan asked if a message could be put on utility bills to notify or inform the public of City events? Manager Geuder stated that the space available to put messages on a utility bill is very limited, but the City Staff would review this suggestion.”

#7131 – Motion by Grogan, second by Heinz, to approve the February 6, 2006 regular City Council meeting minutes, as amended.

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:

#7268 – Payroll	P.P. E. 2/5/06	\$ 29,857.17 General Fund 2,046.55 Major St Fund 773.52 Local St Fund 442.40 Historical Fund 10,106.06 Electric Fund 5,294.15 W & S Fund 694.44 Waterfront Fd 3,230.45 Equipment Fd
#7269 – A/P	Sales Tax Jan. 2006	\$ 3,670.06 General Fund 12,327.34 Electric Fund
#7270 – A/P	Council 2/20/06	\$ 34,724.56 General Fund 326.28 Major St Fund 171.86 Local St Fund 11.57 Police Res Fd 79.96 Historical Fund 1,372.20 BA Const Fund 54,307.34 Electric Fund 29,268.42 W & S Fund 9,624.46 W.T. Water Fd 778.41 Waterfront Fd 6,536.29 Equipment Fd

#7132 – Motion by Wiggins, second by Kors, to approve the bills in the amount of \$205,623.49.

Ayes – 5  
Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7268, #7269, and #7270, checked by the Finance Committee, in the amount of \$205,623.49 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	\$0.00
General Fund	68,251.79
Major Streets Fund	2,372.83
Local Streets Fund	945.38
Police Reserve Fund	11.57
Historical Fund	502.36
B.A. Construction Fund	1,372.20
Electric Fund	76,740.74
Water & Sewer Fund	34,562.57
West Traverse Water	9,624.46
Waterfront Fund	1,472.85
Equipment Fund	<u>9,766.74</u>
Total	\$205,623.49 =====

3. Citizen Comments

None.

4. Water System Update

City Manager Geuder stated that the water samples taken on the City's water system did not all pass the required testing and the City is, therefore, in violation of its permit. Manager Geuder stated that Superintendent Rick Ward was here to address Council on this issue.

Superintendent Ward discussed the testing procedures and locations where he gathers water samples for testing. Ward stated that he took a sample from the DPW Building that came back positive for Coliform Bacteria. Ward stated that the positive test result required him to draw samples both upstream and downstream of the positive test location. This time the test results were all negative. The following week Ward stated that he got a positive test sample at the new City Hall, but the sample taken at the DPW Building was negative.

Because the sample at the new City Hall was positive, the City's water system is now in technical violation of the State guidelines. Ward stated that the City must follow the Michigan Department of Environmental Quality (MDEQ) requirements. The City was directed to add approximately 1.5 to 2 parts per million (ppm) of chlorine to the water in the reservoir.

The City will be required to inject chlorine into the water system to kill any bacteria for approximately ninety (90) days. The City will also perform extra testing. The City is adding .88 ppm of chlorine to the water at the wells. The chlorine residual at the DPW Building and new City Hall will be approximately .75 ppm.

Ward stated that the City is working with Brian Thurston of the MDEQ on this issue. A “bug” got into the City’s water system that caused a bad water sample. Thurston believes the “bug” attached itself to some rust in the water mains. The first injection of chlorine did not kill the “bug” attached to the water main. Therefore, when the second sample was taken, the “bug” appeared again in the water sample. The “bug” is not harmful, but the City must follow the United States Environmental Agency (EPA) and MDEQ guidelines and get the “bug” removed.

Superintendent Ward and City Manager Geuder discussed this issue with Council.

5. Graham Request for Placement of a Water Fountain

City Manager Geuder stated that Tom Graham, owner of Graham Real Estate and Graham Management, requested approval to install a stone water fountain on City property (in the sidewalk right-of-way) by the curb. The water fountain would be located in front of the Graham Management Office at 163 East Main Street. The installation of the water fountain would be at Tom Graham’s expense.

Further, Graham is requesting that the City absorb the cost of the water as it does for the water fountain in front of 198 East Main Street. Superintendent Ward stated that the water fountain at 198 East Main Street uses three to four thousand gallons per month. There is no storm sewer available to take the excess water run off at 163 East Main Street. Manager Geuder stated that Randy Saddison, owner of KRG Excavating would work with Superintendent Ward to determine what would need to be constructed to catch the water beneath the sidewalk to cause the excess water to be absorbed and soak in the soil. A push button type faucet could be installed to reduce the water flow considerably if it is determined that the soil will not absorb the water at the estimated constant flow. Graham has stated that he would pay for any disturbance to the sidewalk and replacement necessary.

Council discussed this issue with City Manager Geuder and Superintendent Ward. After the discussion, the following motion was offered:

#7133 – Motion by Kors, second by Grogan, to approve the construction of the stone water fountain in the City sidewalk right-of-way near the curb in front of the Graham Management Office at 163 East Main Street per Mr. Graham’s request. Further, Council authorizes the City Manager and D.P.W. Superintendent to work with Graham and Saddison to coordinate the installation the water fountain.

Ayes – 5  
Nays - 0

6. Policy Issues

City Manager Geuder stated that he and the City Attorney have discussed language changes for the three policies discussed at the February 6, 2006 City Council Meeting to amend the City Code. City Attorney reviewed the proposed language changes to the City Code.

A. Transient Merchants Licenses

City Attorney Ramer stated that the “Transient Merchants” Chapter of the City Code was changed in subsection 1 of the “License – Issue – Conditions” Section. The new wording allows the City Manager to approve joint shows by local residents, if the City Manager believes that a joint show would be appropriate.

City Manager Geuder and City Attorney Ramer discussed this issue with Council. Council, by consensus, directed the City Attorney to develop an ordinance to permit locals to hold joint transient merchant shows, if the City Manager believes a joint show is appropriate, as presented in the draft language.

#### B. Nuisances

City Attorney Ramer stated that Chapter 60 was amended to more clearly define the abatement process of a nuisance. Different processes are available, depending on the type of nuisance requiring abatement.

City Attorney Ramer then discussed the language proposed in Section 60.300 to more clearly define what type of outside burning would be permitted within the city limits. The language in 60.300 (1) "expressly" prohibits any outdoor freestanding furnace that is designed to provide heat to any structure, operates by burning wood or other solid fuel such as coal, paper or agricultural products and is not located within the exterior walls of a structure for which it is providing heat. Attorney Ramer stated that the amendment does permit an outdoor fireplace as a landscape feature and also permits barbeques for cooking.

Council discussed this proposed amendment with the City Manager and City Attorney. Councilperson Heinz stated that he is opposed to the language "expressly" prohibiting an outdoor furnace to heat a residence. He believes that some City residents may want this option to reduce heating bills with an alternative heat source. This issue was discussed at length.

City Attorney Ramer reviewed the proposed "Draft" defining a "Dilapidated Building". Council members concurred on the language, except the first condition. Councilperson Grogan did not believe the wording "a building or structure in which more than 50% of the paint thereon is chipped, cracked, flaked, peeling or has fallen off" was appropriate. An alternative wording was proposed as follows, "a building or structure in which more than 60% of the paint thereon is peeling or has fallen off". Council members discussed this wording.

#7134 – Motion by Jardine, second by Kors, to table the nuisance issues until more information can be made available on the outdoor wood burning furnaces.

Ayes – 5  
Nays – 0

#### 7. Public Art

City Manager Geuder stated that Councilperson Kors discussed the Public Art issue with Liz Ahrends, the Crooked Tree Arts Council (CTAC) Director. Councilperson Kors stated that Ahrends could have the CTAC move the artwork from its location on the waterfront to another location at no cost to the City, if the move took place when the artwork was changed. Councilperson Kors was willing to work with the City Manager to find a new place to display the art. She also stated that Cynthia Rutherford offered to assist in finding a different location.

Council members discussed moving the art display. Councilperson Kors was authorized by a consensus of Council to seek an alternative site and come back to Council with a recommendation.

8. Boards and Commissions

A. Planning Commission (PC)

Mayor Jardine announced that the next PC meeting is scheduled for 6:00 p.m., Thursday, March 16, 2006. The meeting will be held in the City Council Chambers. Council reviewed the agenda for the PC meeting. The February 16, 2006 PC meeting was cancelled due to inclement weather.

B. Harbor Commission (HC)

Mayor Jardine announced that the next HC meeting is scheduled for 4:00 p.m., Wednesday, March 22, 2006. The meeting will be held in the City Council Chambers. A public hearing on the proposed Walstrom Marine dock expansion plan is scheduled.

C. Zoning Board of Appeals (ZBA) Appointments

Mayor Jardine stated that she would like to reappoint Henry Pfeifer, Donna Niederstadt and Ann Burrows to the ZBA for three-year terms beginning April 2, 2006. Their terms would expire April 2, 2009. There were no Council objections.

D. Board of Review

Mayor Jardine announced that the Board of Review is scheduled to meet on Monday, March 13, 2006 from 9:00 a.m. until noon and from 2:00 p.m. until 5:00 p.m., and on Tuesday, March 14, 2006 from 1:00 p.m. until 4:00 p.m. and from 6:00 p.m. until 9:00 p.m.

City Manager Geuder stated that he enclosed with the meeting notice a report that shows the assessed valuation of Harbor Springs is increasing from \$279,687,500 in 2005 to approximately \$298,786,900 in 2006. The assessed valuation of a community is supposed to be equal to one half of the market value. That means that all of the non-exempt property in Harbor Springs has a market value of approximately \$600,000,000. A second report shows that the taxable value of Harbor Springs is estimated to increase from \$187,663,406 in 2005 to \$199,277,263 in 2006. The taxable value is the amount of money that the millage rate is multiplied by to determine the property tax owed. Manager Geuder stated that he provided the millage rates that were billed on the 2005 property tax bills to the property owners and businesses in Harbor Springs. He noted that the annual homestead tax rate was 26.3944 mills and the non-homestead tax rate was 40.3885 mills.

E. Next City Council Meeting

The next City Council meeting is scheduled for 7:00 pm, Monday, March 6, 2006, in the City Council Chambers.

9. Old and New Business

A. Public Input on Walstrom Marine Dock Expansion Project

Councilperson Grogan questioned ways to get more public input on the Walstrom Marine Dock Expansion Project and other issues. Council discussed this issue with City Manager Geuder. There was no definitive method resolved, but this issue would be reviewed by the City Staff and brought back to Council at a later date.

B. Harbormaster's Report

Council reviewed the Harbormaster's report. Councilperson Wiggins questioned why boats over forty-one feet weren't included in the fall dock rates? City Manager Geuder stated that 2005 was a test year for boats over twenty-five feet. Until 2005, the fall dock rates included only the boats twenty-five feet or less.

10. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:53 pm.

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Ronald B. McRae, City Clerk

Approved: March 6, 2006

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Jean Jardine, Mayor

City Council Meeting Minutes  
February 20, 2006  
Attachments