

**Harbor Springs City Council Minutes
March 3, 2008**

Mayor Jardine called the eighth 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, Michael Heinz, Laura Kors and Pringle Pfeifer

Absent: None

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 February 4, 2008 regular meeting minutes:

1. Page 3, Item 4, second paragraph, "a." reads, "an appraisals". It should read, "an appraisal".
2. Page 3, Item 5, first paragraph, last sentence reads, "...watch that the..." It should read, "...watch the..."

#7408 – Motion by Pfeifer, second by Heinz, to approve the February 4, 2008 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:

Voucher Number	Description	Fund Name	Amount
7444	Payroll Ending 2/3/08	General Fund	\$36,694.64
		Major St. Fund	2,224.71
		Local St. Fund	1,124.28
		Historical Fund	432.80
		Electric Fund	9,956.78
		Water & Sewer Fund	3,975.14
		Waterfront Fund	673.87
		Equipment Fund	2,313.68

7445	Accounts Payable - No Council 2/18/08	General Fund	\$81,732.07
		Major Street Fund	1,150.50
		Local Street Fund	518.10
		Historical Fund	1,232.84
		Electric Fund	72,685.15
		Water & Sewer Fund	159,854.99
		West Traverse Water	4,294.21
		Waterfront Fund	11,813.68
		Equipment Fund	2,976.52
7446	Payroll Ending 2/17/08	General Fund	\$27,333.78
		Major St. Fund	3,409.55
		Local St. Fund	1,621.49
		Historical Fund	432.80
		Electric Fund	9,518.73
		Water & Sewer Fund	4,638.66
		Waterfront Fund	175.14
		Equipment Fund	2,976.52
7447	Trust Payouts 1/1/08 – 1/31/08	Trust Fund	\$1,250,410.45
7448	Accounts Payable - Council 3/3/08	General Fund	\$90,525.89
		Major Street Fund	328.89
		Local Street Fund	410.49
		Police Reserve Fund	9.89
		Historical Fund	245.77
		Electric Fund	186,337.92
		Water & Sewer Fund	25,872.21
		Waterfront Fund	967.82
		Equipment Fund	10,646.60

#7409 – Motion by Kors, second by Pfeifer, to approve the bills in the amount of \$2,036,408.09, which includes the \$288 Benchmark Engineering, Inc. invoice not originally entered.

Ayes – 4
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7444, #7445, #7446, #7447 and #7448, 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	\$236,286.38
Major Streets Fund	7,113.65
Local Streets Fund	3,674.36
Police Reserve	9.89
Historical Fund	2,344.21
Electric Fund	278,498.58
Water & Sewer Fund	194,341.00
West Traverse Water Fund	4,294.21
Waterfront Fund	13,630.51
Equipment Fund	45,804.85
Trust Fund	1,250,410.45

Total	\$2,036,408.09
	=====

3. Citizen Comments

None

4. Chamber of Commerce Requests

A. Grant Sponsorship

City Manager Geuder stated that the Chamber's Downtown Focus Group is looking at another project. They would like to submit a grant request to the Petoskey-Harbor Community Foundation to study the informational and directional signs in the downtown area. Because the Chamber of Commerce is not a 501c(3) organization, the Petoskey-Harbor Community Foundation cannot give them a grant. However, the City could apply for the grant as a representative of the Chamber. Manager Geuder stated that the City would fill a similar role for the Chamber as it did for the Harbor Springs Historical Society with an earlier state grant. The grant request is for \$2,500, which is half the estimated cost of the proposed study. The Chamber would fund the other half of the study through private contributions.

Mayor Jardine questioned the need for this type of study. Greg Garver, representing the Chamber of Commerce explained the reasons why the Downtown Focus Group is requesting the grant. Mary Ellen Hughes, owner of Mary Ellen's Place, commented that height, visibility and other issues would be looked at as part of the study. Councilperson Pfeifer stated that she did not have a problem with the request, but cautioned that Council may not agree that more signs may be needed and may not approve sign changes if recommended by the proposed study.

#7410 – Motion by Heinz, second by Kors, to approve the City to serve as the "Grant Applicant" for a grant from the Petoskey-Harbor Community Foundation to pay for half of a proposed sign study for the downtown area, as requested by the Harbor Springs Chamber of Commerce, with the Chamber providing any matching funds needed.

Ayes – 4
Nays – 0

B. Request for a Directional Sign

City Manager Geuder stated that he received a request from Margaret Tvedten for the placement of a sign similar to the one on Spring Street by the parking lot between Main Street and East Third Street. The proposed sign would be located at Gardner and East Third Street. Manager Geuder reviewed with Council a photo of the existing sign on Spring Street.

Manager Geuder further stated that the businesses have kept the Spring Street sign fairly well maintained. The Monogram Goods sign needs some repair. Council discussed this issue.

#7411 – Motion by Jardine, second by Pfeifer, to authorize the placement of the proposed directional sign, as presented, on Gardner Street near East Third Street, with the condition that the Chamber of Commerce repair the other sign and maintain the proposed sign, and that only businesses with public entrances off East Third Street be permitted to be on the sign.

Ayes – 4

Nays – 0

5. Planning Commission Items

A. Hotel Update

City Manager Geuder stated that the Planning Commission held a public hearing on the proposed Hotel changes. The Planning Commission approved the proposed changes and recommended that City Council do the same. Therefore, the public hearing on the proposed Hotel was set for the March 17, 2008 City Council Meeting.

B. Resolution for Outdoor Seating for the Pier Restaurant

City Manager Geuder stated that the Planning Commission had no problem with a proposed outdoor seating plan expansion proposed by the Pier Restaurant in January. The proposed plan includes tables being set next to the east side of the building and would extend to the south end of the building where it would join with Dudley's Deck. This would be along the windows of the Pointer Room.

Manager Geuder further explained that the Pier would need to do landscaping and fence in the area. The Pier also proposed placing benches along the walkway. The benches and landscaping would be on the west side of the walkway. The benches and part of the landscaping would actually be on City property. Manager Geuder stated that the Pier Restaurant currently has landscaped a portion of City-Owned property on the north side of their building by the Chart Room entrance. They maintain the landscaped area very well.

However, part of the approval process for the Pier rests with the Liquor Control Commission. The Liquor Control Commission wants a formal approval from the City for this proposed project for part of their documentation to support their approval process. Therefore, Manager Geuder stated that he is recommending that Council approve the "Resolution Approving the Use of City-Owned Property for an Area Subject to a Liquor License Approval".

Council members reviewed the proposed outdoor seating plan with Manager Geuder and Brian Ewbank, Manager of the Pier Restaurant. After review of the proposed outdoor seating plan, the following motion was offered:

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#7412 – Motion by Kors, second by Pfeifer, to approve the “Resolution Approving the Use of City-Owned Property for an Area Subject to a Liquor License Approval”, with the condition that the Pier Restaurant survey the location of the property line between the Pier Restaurant and the City and with the condition that the City may revoke the approval at Council’s discretion.

Ayes – Pfeifer, Jardine, Heinz and Kors

Nays – None

6. Amendment to the West Traverse Township Water Service Contract

City Manager Geuder stated that the Water Committee has been talking with West Traverse Township about an amendment to the Water Service Contract for some time. The Water Committee has met several times and is now coming back to the City Council with a proposed Contract Amendment.

The Township originally wanted to add a reservoir on the southeast corner of the old dump site on Hughston Road. That request led to a number of questions, which has brought us to where we are today. The two main provisions of this amendment to the agreement are:

- a. An extension of the contract through 2026, with the City continuing to sell the Township bulk water. As a point of information, the City did issue a notice to the Township recently that increased the cost of bulk water consistent with the increase the City adopted last year.
- b. West Traverse Township will build, at their expense, the reservoir and Phase 3 of their water system.

Manager Geuder also stated that the proposed Resolution approving the amendment would give the City authorization to approve a further amendment to the contract to permit the Township to proceed with Phase 4 of their water system at such time as they may be ready. The water capacity of the proposed reservoir being built in Phase 3 will provide sufficient water capacity for Phase 4. The Water Committee reviewed this proposal on Wednesday, February 27, 2008 and is recommending approval of the “Resolution to Approve the Second Amendment to the West Traverse Township Water Service Contract”.

Councilperson Heinz raised an issue concerning the water retention pond proposed as part of the Phase 3 Project. Joe O’Neill, Benchmark Engineering, Inc., noted that the retention area was for the gravel driveway and is required by the County.

#7413 – Motion by Heinz, second by Kors, to approve the “Resolution to Approve the Second Amendment to the West Traverse Township Water Service Contract”, which extends the contract through 2026, authorizes the Township to build Phase 3 of their water system and authorizes the City to approve a contract amendment for the Township to build Phase 4 of their water system under terms and conditions satisfactory to the City Manager and City Attorney.

Ayes – Jardine, Heinz, Kors and Pfeifer

Nays – None

7. Well Controls

City Manager Geuder stated that the quote for the new Well Controls came in at \$11,235. They were budgeted at a cost of \$10,400. The purpose of the new controls is for a technology upgrade for the radio controls.

Superintendent Ward stated that the wells formerly had the alarms connected to the Water Department by land lines; then rented telephone lines; and now a radio system is used. However, the current system can no longer be supported because it has become technologically obsolete.

#7414 – Motion by Pfeifer, second by Heinz, to approve the purchase of the new well controls from Smith Instrument Company at a cost of \$11,235.

Ayes – Heinz, Kors, Pfeifer and Jardine

Nays – None

8. Board and Commissions

A. Planning Commission (PC)

Council reviewed the February 21, 2008 PC meeting minutes. Mayor Jardine announced that the next scheduled PC meeting is scheduled for 6:00 p.m., Thursday, March 20, 2008 in the City Council Chambers.

B. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the ZBA meeting is scheduled for 5:30 p.m., Wednesday, March 12, 2008.

C. Appointments to Boards and Commissions

Mayor Jardine stated that she would like to appoint Alan Hegedus as a regular ZBA member for a full three-year term ending March 3, 2011 and to appoint Mike Smelt to the ZBA as an alternate member for a full three year term ending March 3, 2011. There were no Council objections to the appointments.

D. Next City Council Meeting

Mayor Jardine announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, March 17, 2008 in the City Council Chambers.

9. Old and New Business

A. Police Chief Report

Councilperson Kors and Councilperson Pfeifer stated that they appreciated the Police Chief's report. They commented on Officer Timmons' expertise in the area of forensic computer work.

B. New Council Member

Mayor Jardine stated that she stated earlier that she would like to see a new person on Council, a person who has never served before. She suggested that Alan Hegedus be appointed.

Council members discussed the issue of appointing someone with either experience or no experience.

Heinz said he would prefer having two weeks to think about the potential candidates.

#7415 - Motion by Heinz, seconded by Kors, to table appointment of a Council member until the March 17, 2008 meeting.

Ayes - Kors, Pfeifer, Jardine, and Heinz

Nays - None

10. Closed Session

Mayor Jardine stated that she would like to go to Closed Session to consult with the City Attorney regarding his opinion on a proposed change to the City's personnel policy for salaried employees

#7416 – Motion by Kors, second by Pfeifer, to go to Closed Session under Section 8(h) of Public Act 267 of 1976 (the "Open Meetings Act"), as amended, to consult with the City Attorney concerning a written opinion of the City Attorney on a proposed change to the City's personnel policy.

Ayes – Pfeifer, Heinz, Jardine, and Kors

Nays – None

Mayor Jardine recessed the Open Session at 7:55 p.m. to go to Closed Session.

Mayor Jardine called the Open Session back to order at 8:23 p.m.

11. Personnel Policy

#7418 - Motion by Heinz, seconded by Pfeifer, to approve the following changes to the City's Administrative Agreement for Salaried Employees:

A full-time employee of the City of Harbor Springs who is covered by this Agreement, and who has accumulated at least twenty (25) years of service with the City, and who has not yet reached fifty-five (55) years of age, and who is granted eligibility for a Municipal Employees Retirement System "disability" pension, will be granted retirement health insurance benefits under the same formula as if that employee were fifty-five (55) years of age.

The following section is hereby deleted from Section XI of the Administrative Agreement:

“The normal retirement age will be 59.5 years of age under the ICMA-RC 457 Plan, or an employee may retire at 55 years of age with 25 years of experience. It is acknowledged that contributions to the Plan will immediately vest in the employee’s name, and withdrawals are subject to the limitations of the plan and federal regulations.

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

12. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:25 p.m.

Approved: March 17, 2008

Ronald B. McRae, City Clerk

Jean Jardine, Mayor

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Attachments