

**Harbor Springs City Council Minutes**  
**March 16, 2009**

Mayor Dika called the fifteenth meeting of the Harbor Springs City Council to order at 7:00 p.m., in the City Council Chambers at 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum

Present: Alan Dika, Alan Hegedus, Michael K. Heinz, Laura Kors and Pringle Pfeifer

Absent: None

Also Present: City Attorney James T. Ramer, Police Chief Daniel J. Branson, DPW Superintendent Joel Clark, Electric Distribution Superintendent Dennis Kruzel, MPPA Engineering Manager Peter Schimpke and City Clerk Ronald B. McRae

2. Swearing in of the New City Manager

City Clerk McRae administered the oath of office with incoming City Manager, Tom Richards. City Manager Richards pledged to perform his duties to the best of his ability.

3. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following corrections were noted for the March 2, 2009 regular meeting minutes:

a. Page 2, Item 2, motion number 7546 reads, "...second by Hegedus..." It should read "...second by Pfeifer..."

b. Page 3, Item 4, first paragraph, first sentence reads, "...the Wequetonsing Landowners Association..." It should read, "...the Wequetonsing Landowners' Association..."

c. Page 4, Item 6, first paragraph, last sentence reads, "...household incomes for..." It should read, "...household income levels for..."

d. Page 4, Item 6, second paragraph, first sentence reads, "...city Council." It should read, "...City Council."

e. Page 5, Item 8B reads, "...meeting schedule for..." It should read, "...meeting is scheduled for..."

#7553 – Motion by Pfeifer, second by Hegedus, to approve the March 2, 2009 regular City Council meeting minutes as amended.

Ayes – 5

Nays – 0

#7554 – Motion by Heinz, second by Kors, to approve the March 5, 2009 special City Council meeting minutes as read.

Ayes – 5

Nays – 0

#7555 – Motion by Heinz, second by Kors, to approve the March 12, 2009 special 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:

Voucher Number	Description	Fund Name	Amount
7535	Trust Payouts 2/1-2/15/09	Trust Fund	\$1,153,248.16
7536	Payroll Ending 3/1/09	General Fund	\$34,543.18
		Major St. Fund	2,227.39
		Local St. Fund	1,096.62
		Historical Fund	443.60
		Electric Fund	10,111.42
		Water & Sewer Fund	3,969.71
		Waterfront Fund	853.78
		Equipment Fund	3,045.34
7537	Trust Payouts 2/16-3/7/09	Trust Fund	\$47,488.12
7538	Sales and Withholding 2/28/09	General Fund	\$4,022.07
		Electric Fund	12,333.59
7539	Accounts Payable - Council 3/16/09	General Fund	\$34,147.36
		Major St. Fund	0.00
		Local St. Fund	336.00
		Historical Fund	257.52
		Electric Fund	48,050.93
		Water & Sewer Fund	33,980.97
		WTTP Water Fund	4,306.17
		Waterfront Fund	3,064.10
		Equipment Fund	16,537.75

#7556 – Motion by Heinz, second by Hegedus, to approve the bills in the amount of \$1,414,063.78.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7535, 7536, 7537, 7538 and 7539 checked by the Finance Committee, in the amount of \$1,414,063.78 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	\$72,757.99
Major Streets Fund	2,227.39
Local Streets Fund	1,432.62
Police Reserve	0.00
Historical Fund	701.12
Electric Fund	70,495.94
Water & Sewer Fund	37,950.68
West Traverse Water Fund	4,306.17
Waterfront Fund	3,917.88
Equipment Fund	19,583.09
Trust Fund	1,200,736.28
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Total	\$1,414,063.78
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4. Citizen Comments

None

5. Public Hearing on the Proposed Electric Optimization Plan and the Renewable Energy Plan

Mayor Dika opened the public hearing at 7:05 p.m.

City Clerk McRae reviewed the proposed Electric Optimization Plan (the "Optimization Plan") prepared to comply with State Law. He stated that the Lansing Board of Light and Water personnel had developed the Optimization Plan for a number of municipal electric systems. The purpose of the Optimization Plan is to offer ways for the City and its customers to conserve and use less electricity. The Optimization Plan calls for the use of low wattage bulbs, replacement of older appliances with more energy efficient appliances, and education programs. Initially the projected savings for the Optimization Plan is estimated to be less than the cost of the Optimization Plan but City Manager Richards pointed out that the reduction should reduce the growth of the City's electric demand and help to postpone the need to invest in new and potentially costly generating resources. Clerk McRae stated that the proposed Optimization Plan must be submitted to the Michigan Public Service Commission (MPSC) on or before April 3, 2009.

City Clerk McRae introduced Peter Schimpke from the Michigan Public Power Agency (MPPA). Schimpke explained the Renewable Energy Plan (REP) and Renewable Energy Credits (RECS). Schimpke discussed the City's involvement in the Granger Renewable Energy Project. He estimated that the Granger Project may provide the City with enough renewable energy that the City may have excess RECS to sell after it had met the 10% requirement of delivering energy from renewable sources.

City Manager Richards, City Clerk McRae and Schimpke addressed the questions from the public and City Council members.

Mayor Dika closed the public hearing at 7:12 p.m.

6. Pennsylvania Street and Water Main Project Phase I Bids and Contract Award

City Clerk McRae stated that the City received bids from five contractors. The low bid of \$199,499.15 came from Tri-County Excavating, Inc. Clerk McRae stated that Bryan Nolan, Project Manager from Benchmark Engineering, Inc., provided a memorandum recommending that the City award the contract to Tri-County Excavating, Inc. for \$199,499.15.

City Clerk McRae stated that the bid was approximately \$25,000 under the engineer's estimate. Clerk McRae and Joe O'Neill, Benchmark Engineering, addressed Council members' concerns and questions. After a brief discussion the following motion was offered:

#7557 – Motion by Heinz, second by Kors, to award the Pennsylvania Street and Water Main Project construction contract to Tri-County Excavating, Inc. in the amount of \$199,499.15, and to authorize the City Manager to execute the construction contract.

Ayes – Hegedus, Heinz, Kors, Pfeifer and Dika  
Nays – None

7. Water Reliability Study

City Clerk McRae stated that based on the Michigan Department of Environmental Quality (MDEQ) deadline of July 1, 2009, he recommends that City Council authorize the completion of the Water Reliability Study. Clerk McRae stated that in order for Benchmark Engineering, Inc. to have sufficient time to complete the draft of the Water Reliability Study, allow time for the City Manager to review the Water Reliability Study, and to permit City Council to review the Water Reliability Study, approval needs to be authorized this evening.

Benchmark Engineering, Inc. quoted \$20,000 to complete the Water Reliability Study. Clerk McRae stated that his conversation with Joe O'Neill, the principal of Benchmark Engineering, Inc., the biggest portion of the cost is the creation of a computer model to run analysis of hydraulic pressures and flows on the City's water system. O'Neill stated that the computer analysis is mandated by the MDEQ on all water systems serving more than 1,000 customers. The City serves approximately 1,500 water customers.

O'Neill addressed the questions and concerns of the Council members. After the discussion, the following motion was offered:

#7558 – Motion by Kors, second by Pfeifer, to authorize Benchmark Engineering, Inc. to complete the Water Reliability Study as required by the MDEQ at a cost of \$20,000, and to authorize the City Manager to execute said Engineering Agreement for the Study. Further, a draft of said study shall be completed in time for a review by the City Manager and approval by the City Council. The plan will include a schedule for any capital improvements required to meet state requirements.

Ayes – 5  
Nays – 0

8. Council Appointment of Delegates to the Michigan Public Power Agency Board of Directors

City Clerk McRae stated that due to the retirement of City Manager Fred Geuder, City Council needs to appoint a new representative and alternate to the Michigan Public Power Agency (MPPA) Board of Commissioners. Clerk McRae recommended that Council approve the "Resolution to Appoint Representative Delegates to the Michigan Public Power Agency Board of Directors", which appoints City Manager Tom Richards as the City's delegate and Charles R. Fricke, the City's Electric System Consultant, as the City's alternate delegate.

Clerk McRae stated that he did not know how much the new City Manager would use Fricke in this roll. However, by approving Fricke as the alternate delegate, it would allow the new City Manager some flexibility in scheduling.

#7559 – Motion by Hegedus, second by Heinz, to approve the "Resolution to Appoint Representative Delegates to the Michigan Public Power Agency Board of Directors", which approves City Manager Richards as the Delegate and the City's Electric Consultant Fricke as the Alternate Delegate.

Ayes – 5  
Nays – 0

9. Deer Park Issues

City Clerk McRae stated that the Deer Park is operated and maintained by the Department of Public Works, but is administrated by the Police Department. He stated that Chief Branson had received an inspection report from the U.S. Department of Agriculture and the Michigan Department of Natural Resources, noting that the City was required to make certain changes to comply with new rules that apply to the deer park.

Chief Branson stated that the City is now required to tag and identify each of the individual deer in the pen. Chief Branson stated that he had the Maple River Veterinarian Clinic tag and identify each of the deer for about \$600.

The second item that needs to be addressed is the height of the fence, which is now required to be increased to ten feet. This would be an extension of two feet. Chief Branson stated that he received two quotes from to area fence companies; Petoskey Fence Company and Harbor Fence Company. The lower of the quotes came from the Harbor Fence Company for \$1,527. Chief Branson stated that both fence companies have good reputations and he recommended acceptance of the low bid from the Harbor Fence Company.

Chief Branson stated that failure to comply with the new rules is a misdemeanor. Council discussed this issue briefly, then the following motion was offered:

#7560 – Motion by Pfeifer, second by Heinz, to approve the installation of the additional two feet of fence for the Deer Park at a cost of \$1,527 based on a quote from the Harbor Fence Company, as recommended by Chief Branson, and further to authorize the City Manger to execute the installation agreement.

Ayes – 5  
Nays – 0

10. Waterfront Wine Festival

City Clerk McRae stated that he had received a request from Jody Ewbank; General Manager of the Pier Restaurant and Harbor Springs Area Chamber of Commerce Board Member, to approve the Waterfront Wine Festival for Friday, June 26, 2009 from 5:00 p.m. to 8:00 p.m. Clerk McRae stated that the Waterfront Wine Festival has been held for several years and is co-sponsored by the Harbor Springs Area Chamber of Commerce and Scenic Michigan. Clerk McRae introduced Sandy Koehler, representing the Harbor Springs Area Chamber of Commerce and Abby Dart representing Scenic Michigan.

Koehler and Dart responded to Council member questions and concerns. Chief Branson stated that he has had no problems from this event in the past. After a brief discussion, the following motion was offered:

#7561 – Motion by Pfeifer, second by Hegedus, to approve the Waterfront Wine Festival, as presented.

Ayes – 5  
Nays - 0

11. Cancellation of a City Council Meeting

City Clerk McRae stated that Council has cancelled the first City Council meeting in April every year since 1994. He asked if Council would like to cancel the April 6, 2009 regular City Council meeting.

Council discussed this issue briefly, then the following motion was offered:

#7562 – Motion by Kors, second by Heinz, to cancel the April 6, 2009 regular City Council meeting.

Ayes – 5  
Nays – 0

12. City Credit Card Authorization

City Clerk McRae recommended that the Council authorize a credit card for certain City purchases. He stated that City Manager Geuder used a credit card on an account for which he was personally responsible. Clerk McRae recommended that the City should have a credit card that the City has the ultimate liability for.

Further, Clerk McRae recommended that the City authorize two cards to draw against the proposed credit card account from Chase Bank. The credit card account is called the "Chase Business Capital Card". The first card would be assigned to the City Manager. The second card would be assigned to the City Clerk and be kept in City Hall for purchases and other City related expenses. Lastly, the credit card account would have a \$5,000 credit limit, which is the same amount that Manager Geuder's card had.

After Council briefly discussed this issue, the following motion was offered:

#7563 – Motion by Heinz, second by Pfeifer, to approve the "Resolution to Authorize the Establishment of a Credit Card Account". Said motion authorizes the opening of a "Chase Business Capital Card" account with a credit limit of \$5,000.

Ayes – 5  
Nays – 0

### 13. Baseball Commission Request

Officer Matt Pater, President of the Baseball Commission, requested that City Council approve the hanging of banners on the outfield fence to advertise the sponsorship of the Baseball Commission by area businesses. Pater showed Council samples of two banners that the Baseball Commission would like to use. One of the banners was two and a half feet wide by six feet long and the other was three feet wide by six feet long. Pater stated that the Baseball Commission would be purchasing professionally made banners to display. The banners would be no larger than three feet wide and six feet long and made of high grade vinyl canvas. The banners would be placed on the fence facing the playing area with minimal exposure to the streets. The banners will be put up for the first day of the playing season (the first Saturday in May) and taken down the day of the final game (mid-July). Pater assured Council that if the banners are damaged they would be taken down and repaired or replaced.

Pater answered the questions and concerns of the Council members. Pater did state that the Baseball Commission hopes to sell at least 20 banners. After the discussion, the following motion was offered:

#7564 – Motion by Pfeifer, second by Hegedus, to approve the use of the banners as requested by the Baseball Commission.

Ayes – 5  
Nays – 0

### 14. Boards and Commissions

#### A. Planning Commission (PC)

Mayor Dika announced that the March 19, 2009 PC meeting has been cancelled. Mayor Dika stated that the next PC meeting is scheduled for 6:00 p.m., Thursday, April 16, 2009.

#### B. Zoning Board of Appeals (ZBA)

Mayor Dika announced that the ZBA meeting scheduled for 5:30 p.m., Wednesday, March 11, 2009 was cancelled. Mayor Dika announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, April 9, 2009.

#### C. Harbor Commission (HC)

Mayor Dika announced that the next HC meeting is scheduled for 4:00 p.m., Wednesday, March 18, 2009. This is a special meeting to determine if there is interest in supporting the deployment of a weather buoy in Little Traverse Bay. The estimated cost is \$30,000 the first year. He felt that the cost could be shared by the City of Harbor Springs, the City of Petoskey, the City of Charlevoix, Bay Harbor Yacht Club, Little Traverse Yacht Club and the private marinas.

D. Next Council Meeting

Mayor Dika announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, April 20, 2009 in the City Council Chambers.

15. Old and New Business

A. Thank you to the City Clerk

Councilperson Kors stated that she and the other Council members thank the City Clerk for serving as the "Acting City Manager" for the last several weeks.

B. Vendor's License for the Waterfront between the Harbormaster's Building and the Pier Restaurant

It was questioned if the vendor's license was available to anyone who applied. The vendor's license can be obtained if someone applies. Council must approve the applicant.

16. Adjournment

With no further business, Mayor Dika adjourned the meeting at 7:54 p.m.

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Ronald B. McRae, City Clerk

Approved: April 20, 2009

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Alan J. Dika, Mayor

City Council Meeting Minutes  
March 16, 2009  
Attachments