

**Harbor Springs City Council Minutes  
April 17, 2006**

Mayor Jardine called the tenth 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, D.P.W. Superintendent Rick Ward and City Clerk Ron McRae.

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#7145 – Motion by Grogan, second by Heinz, to approve the March 20, 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:

#7277 – Payroll	P.P. E. 3/19/06	\$ 25,412.72 General Fund 2,034.72 Major St Fund 286.80 Local St Fund 422.40 Historical Fund 9,546.81 Electric Fund 5,961.98 W & S Fund 752.16 Waterfront Fd 3,964.93 Equipment Fd
#7278 – A/P	Payouts 3/7-4/8/06	\$ 7,394.60 Trust Fund
#7279 – A/P	No Council 4/3/06	\$ 18,470.16 General Fund 645.40 Major Sts Fd 1,890.00 Local Sts Fd 587.04 Historical Fd 1,460.61 BA Const. Fd 169,688.82 Electric Fd 6,397.27 W & S Fund 695.77 Waterfront Fd 5,456.72 Equipment Fd
#7280 – Payroll	P.P.E. 4/2/06	\$ 31,735.42 General Fund 1,500.71 Major Sts Fund 132.98 Local Sts Fund 422.40 Historical Fund 10,570.18 Electric Fund 5,862.11 W & S Fund 1,341.81 Waterfront Fd 1,765.90 Equipment Fd

#7281 – A/P	Sales Tax	\$ 3,563.01 General Fund 11,881.29 Electric Fund
#7282 – A/P	Council 4/17/06	\$ 33,307.86 General Fund 109.98 Police Res Fd 67.89 Historical Fd 4,230.46 BA Const Fd 52,463.80 Electric Fund 27,633.68 W & S Fund 1,005.99 Waterfront Fd 4,343.62 Equipment Fd

#7146 – Motion by Wiggins, second by Kors, to approve the bills in the amount of \$453,008.00.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7277, 7278, 7279, 7280, 7281 and #7282, checked by the Finance Committee, in the amount of \$453,008.00 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	112,489.17
Major Streets Fund	4,180.83
Local Streets Fund	2,309.78
Police Reserve	109.98
Historical Fund	1,499.73
B. A. Construction Fund	5,691.07
Electric Fund	254,150.90
Water & Sewer Fund	45,855.04
West Traverse Fund	0.00
Waterfront Fund	3,795.73
Equipment Fund	15,531.17
Trust Fund	7,394.60
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Total	\$453,008.00
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3. Citizen Comments

Richard Hannah, 1997 Pinecrest Drive, East Lansing, MI 48823, appeared before Council to discuss placing a plaque on the property that his family donated to the City. The property in question is the City land across from 263 East Bay Street where the proposed water feature and proposed flowerbed changes are being considered. Hannah stated that the family does not wish to have the fountain be constructed on that section that their family donated to the City. The water feature could be constructed on the property to the east or west of that, but not on the same property. Hannah stated that the property was given to the City in two parts. The first part was donated when the Hannahs had title to the land before the railroad sold their right of way. The second part of the property was donated after the railroad sold their easement.

City Attorney Ramer stated that the first portion of the land given to the City was actually a conveyance in exchange for property on Main Street. It was not a donation. City Attorney Ramer stated that this information came from the City minutes from April 1935. The title search supports the minutes.

The Mayor directed the City Attorney to research the question, and to report back to the Council.

4. Waterfront Landscape Project

City Manager Geuder and Sheridan Jones addressed Council members questions and concerns.

Councilperson Kors asked if the willow tree had to be cut down. Jones responded that the tree removal was not essential to the project. Councilperson Kors asked if there was a safety factor or liability for children if the open trough was constructed? Jones stated she did not see much liability because the proposed trough would only be eight inches wide by six inches deep. Further, the trough would be in the proposed flowerbed only. Councilperson Kors stated that she didn't care for a "barrel" type of design for the water feature. Jones stated that the water feature could look different than proposed. Mayor Jardine thought the water feature design by the "Sip and Ski" looked good.

Councilperson Heinz asked if the Hannah's request for a simple plaque could be incorporated with proposed project? Manager Geuder stated that one project did not preclude the other.

Murray Hannah, Okemos, Michigan, stated that the family was only looking to have the simplistic beauty of the parcel, donated by his grandfather, maintained. The City Manager noted that there were no restrictions to the property, other than it be a park.

After further discussion, the following motion was offered:

#7147 – Motion by Wiggins, second by Grogan, to proceed with the project, with the condition that the willow tree is not to be removed, and that the proposed plaque from the Hannah family may be considered at a later date.

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

5. Wine Tasting Event Sponsored by the Chamber of Commerce and Scenic Michigan

City Manager Geuder stated that Kathy Lott, Executive Director of the Harbor Springs Chamber of Commerce, and Abby Dart, Program Director for Scenic Michigan, were here to address the proposed "Wine Tasting Event."

Lott stated that the proposed "Wine Tasting Event" would showcase Leelanau Peninsula wines available through local distributors. The event would also have hors d' oeuvres. The Chamber would like to hold this event on the waterfront just like the "Taste of Harbor Springs." However, this event would be held on Friday evening, June 16, 2006, from 6:00 p.m. to 9:00 p.m. The wine samplings will be served in a fenced tent where tickets would be sold and required for admission. The Chamber would invite member restaurants and eateries to serve a lighter fare. Further, local musicians would be invited to perform low impact (without amplifiers and sound enhancement equipment) music. Lott also stated that the profits from this fundraiser would be split between the Chamber and Scenic Michigan.

Dart gave an overview of Scenic Michigan. Dart stated that Rick Coates, Director of the Leelanau Peninsula Vintners Association (LPVA), has an excellent track record with his events. Further, food will be required to be served and samplings restricted to anyone not showing visible signs of intoxication.

In response to Mayor Jardine's question about an admission fee, Lott stated that the amount of admission had not been decided, but believed that it would be approximately \$20 per person.

Councilperson Grogan questioned this issue of security. Lott stated that she did not plan to have people there to specifically monitor security, but did add that everyone would be watching for under age drinking and for levels of intoxication that would not be acceptable. Further, if an incident occurs, they would contact the police department. Councilperson Grogan asked if the food would be served as a ratio to the wine samplings? Lott stated that there would be enough food served to be approximately a 50 to 50 ratio. Dart stated that Coates never had a bad situation at one of these functions and he has hosted several wine tasting events.

Councilperson Heinz asked if the wines would be sold or orders taken? Lott stated that there would not be any wine sales or orders.

Steve Arbaugh, 2744 Quick Road, stated that he was a wine distributor. Arbaugh stated that distributors are prohibited from serving wine samplings. Lott stated that there would be other volunteers. The distributors will be providing the wine samples, not serving them.

#7148 – Motion by Heinz, second by Kors, to approve the "Wine Tasting Event", as presented. Further, no wine will be sold or orders taken, and security for the event shall be approved by the Chief of Police.

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

## 6. Harbor Commission Recommendations

### A. Walstrom Proposed Marina Expansion Plans

The City Manager noted that the proposed Walstrom Marina Plan had been recommended by the Harbor Commission on March 22, 2006.

Mayor Jardine stated that she would like to hold a public hearing on this issue at the May 15, 2006 City Council meeting, then vote or consider this issue at the June 5, 2006 City Council meeting. Mayor Jardine stated that work on this project is not scheduled until this fall.

Councilperson Heinz stated that Walstrom Marine still has to submit a permit application to the Michigan Department of Environmental Quality and the United States Army Corps of Engineers for this project. That can be somewhat time consuming. He stated that the Public Hearing and consideration should take place as soon as possible so that the project, if approved, is not held up.

Councilperson Grogan stated that Council should wait until a public hearing can be put together because many of the resorters who responded last year thought this issue was settled. Councilperson Kors concurred with Councilperson Grogan.

Councilperson Wiggins asked questions concerning the process last year. He stated that he thought the vote should be taken as soon as possible.

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City Manager Geuder suggested that a public hearing be set for the May 15, 2006 City Council meeting and Council could vote on this issue that evening, or if the majority of Council concurred, they would wait and vote on this issue at the June 5, 2006 meeting.

After further discussion, the following motion was offered:

#7149 – Motion by Grogan, second by Wiggins, to set a public hearing on the proposed Walstrom Marine Dock Expansion Project for the May 15, 2006 City Council meeting, at which time the Council may elect to vote immediately or set a date for the vote.

Ayes – 5

Nays – 0

B. Resolution to Amend the Harbor Commission Rules

City Manager Geuder stated that the Harbor Commission recommended a change in the seven day rule that would allow the Harbormaster discretion to offer one-day extensions to transient boaters who are at their seven-day limit on a first in, first out basis, if there are empty slips. Further, the proposed rules specify that if there are more boaters on extension requests than slips available, the Harbormaster must follow the first in, first out rule.

Manager Geuder stated that he recommended Council approval of the proposed Harbor Commission rule changes.

#7150 – Motion by Heinz, second by Grogan, to approve the “Resolution to Amend the Harbor Commission Rules”, which would authorize the Harbormaster to offer extensions to transient boaters.

Ayes – Jardine, Grogan, Heinz, Kors and Wiggins

Nays – None

7. Planning Commission Recommendations

A. Resolution to Approve a Trial Period for “Open” Banners

City Manager Geuder stated that the Chamber of Commerce approached the Planning Commission to permit businesses to display an “Open” banner, at the option of the business owner, within the CBD, B-1, B-2, ROS, and AR Zoning Districts.

Lott stated that Brian Ewbank helped design the “Open” banner. The banners will be red with white lettering. The banners are proposed to be no larger than twelve inches by twenty-four inches and the lettering not to exceed five inches in height. Further, the banners may be hung by brackets perpendicular to the building for a two-sided display, or against the building for a one-sided display. The brackets cannot extend more than sixteen inches from the building from which the bracket is hung.

Council discussed the trial period and single color requirement with Lott and Ewbank. During the discussion it was noted that the display of the “Open” banner was voluntary by the business owners. Further, the trial period for the “Open” banners will expire on Memorial Day 2007. After the discussion, the following motion was offered:

#7151 – Motion by Kors, second by Heinz, to approve the “Resolution Approving a Trial Period for ‘Open’ Banners”, as presented.

B. Resolution to Exercise an Option to Approve or Reject the City Master Plan

City Manager Geuder stated that Council should consider approval of the “Resolution to Exercise an Option to Approve or Reject the City Master Plan.” Changes could be made to the City’s Master Plan or other zoning issues by the Planning Commission without City Council approval should City Council not approve this Resolution. After discussion of this issue by Council, the following motion was offered:

#7152 – Motion by Heinz, second by Wiggins, to approve the “Resolution to Exercise an Option to Approve or Reject the City Master Plan.” This Resolution allows for final approval of any changes to the Master Plan by City Council.

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

8. Historical Society Grant

City Manager Geuder stated that the Harbor Springs Area Historical Society (HSAHS) has requested the City to act as “fiscal agent” for a grant with the Michigan Council for the Arts and Cultural Affairs. The request is made because the City is eligible to apply for the grant as a municipality. The HSAHS will pay the grant application fee and raise the required matching funds for the grant. The amount of the grant is \$50,000.

Council discussed this request with Manager Geuder. Councilperson Grogan stated that he chairs the construction committee for this project. Because of his involvement he does not believe he should vote on this issue. City Attorney Ramer concurred with Councilperson Grogan’s request. After the discussion, the following motion was offered:

#7153 – Motion by Kors, second by Heinz, to authorize the City to apply for the Michigan Council for the Arts and Cultural Affairs grant for \$50,000 and act as “fiscal agent”. Further, the Harbor Springs Area Historical Society will write the grant and reimburse the City for the grant application fee and raise the matching funds for the grant. Lastly, the City Manager and Mayor are authorized to sign the necessary application forms.

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

9. Airport Project Concurrence

City Manager Geuder stated that the Harbor-Petoskey Airport Authority (the “Authority”) and Harbor Springs Hangar, LLC, have reached an agreement that would permit a hangar to be constructed on the Harbor Springs Airport property. However, before the project can be done, the City Council must approve a Resolution to Approve the Agreement Between the Authority and Harbor Springs Hangar, LLC.

Council discussed this issue with Manager Geuder. Manager Geuder reviewed the site plan showing the location of the proposed hangar. After the discussion, the following motion was offered:

#7154 – Motion by Kors, second by Grogan, to approve the “Resolution Approving the Proposed Sublease Between the Harbor-Petoskey Airport Authority and Harbor Springs Hangar, LLC. The sublease will authorize Harbor Springs Hangar, LLC, to construct the proposed hangar.

Ayes – 5  
Nays – 0

#### 10. Electric System Underground Lines

City Manager Geuder informed Council that he has been receiving requests for underground lines in areas where the electric lines are currently overhead. A more recent request came from some residents on East Bluff Drive. Manager Geuder stated that he would like some direction from Council. He did not believe that the City should pay for the changes to put the electric lines underground, nor to study the costs to do so. He also stated that some overhead lines should not be put underground.

Council discussed this issue. Council members concurred that if overhead lines are to be put underground, the costs should be borne by those wanting to do so. Further, whole blocks should be required to be put underground, not one house then skip one then another house.

Council concurred that a letter should be sent to the property owners in the area to determine if the property owners were willing to pay the study and or construction costs.

#### 11. Proposed 2006 Tax Levy

City Manager Geuder stated that the City Clerk has recommended holding a “Truth in Taxation” public hearing to permit the City to levy a millage rate sufficient enough to meet the budgeted revenue requirements of the City. Without the public hearing, the City would not be able to generate enough revenue from property taxes to meet the budgeted revenue requirements.

Manager Geuder stated he concurred with the City Clerk’s recommendation and asked Council to approve a “Truth in Taxation” public hearing for May 1, 2006.

Manager Geuder discussed this issue with Council. After a discussion, the following motion was offered:

#7155 – Motion by Kors, second by Grogan, to hold a “Truth in Taxation” public hearing during the May 1, 2006 City Council meeting.

Ayes – 5  
Nays – 0

#### 12. Boards and Commissions

##### A. Planning Commission (PC)

Mayor Jardine announced that the next PC meeting is scheduled for 6:00 p.m., Thursday, April 20, 2006. The meeting will be held in the City Council Chambers.

B. Next City Council Meeting

The next City Council meeting is scheduled for 7:00 pm, Monday, May 1, 2006, in the City Council Chambers.

13. Old and New Business

A. Council Member Residential Requirements

Councilperson Wiggins asked for a memorandum or opinion from the City Attorney to specifically address the residential requirements for a Council member. Councilperson Wiggins stated that he did not wish to deviate from the requirements and plans to abide by them.

B. Crooked Tree Sculpture

Councilperson Kors stated that she discussed the Historical Society needs for Shay Park and has reviewed the locations. She and Councilperson Heinz did some scouting. She believes that the art display needs to be in quiet area, but accessible by the public for viewing. She would like to recommend moving the public sculpture display from the waterfront to the Jean Jardine Park. The Crooked Tree Arts Council will move the display the next time the art changes. She will notify Liz Ahrends, Director of the Crooked Tree Arts Council, as to where to place the art.

Councilperson Grogan thought that her recommendation was wonderful.

#7156 – Motion by Grogan, second by Heinz, to move the public art display to the Jean Jardine Park.

Ayes – 5  
Nays – 0

14. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:50 pm.

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Ronald B. McRae, City Clerk

Approved: May 1, 2006

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Jean Jardine, Mayor

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Attachments