

**Harbor Springs City Council**  
**April 18, 2005**

Mayor Jardine called the eleventh 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 Pringle Pfeifer

Absent: None

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

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following corrections to the March 21, 2005 regular City Council meeting minutes were noted:

1. Item 4, page 3, third paragraph, reads, "...by the to City be used..." It should read, "...by the City to be used..."
2. Item 4, page 3, fourth paragraph, first sentence reads, "...which projects she would like to see..." It should read, "which projects Council would like to see..."
3. Item 7, page 5, Motion No. 7026, first sentence reads, "...on the waterfront by the City Marina." It should read, "...on the waterfront by the City Marina or where it was located last year."
4. Item 8, page 5, first paragraph, first sentence reads, "...is not charging the City for a bottomland lease because no fees are charged for the use of the two-hour courtesy dock." It should read, "...is not charging the City for a bottomland lease for the two-hour courtesy dock because no fees are charged for the use of this dock."
5. Item 10. C., page 6, last sentence reads, "Manager Geuder will get a status of where the project is and inform Council." It should read, "Manager Geuder will get a status of where the project is and inform Council of when the initial mapping project is expected to be completed."

#7028 – Motion by Kors, second by Pfeifer, to approve the March 21, 2005 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:

#7185 – Payroll	PPE 03/20/05	\$ 9,111.13 1,759.03 349.04 12,297.03 6,399.99 780.51 2,651.68 441.37	General Fund Major Streets Fd Local Streets Fd Electric Fund Water & Sewer Waterfront Fund Equipment Fund Historical Fund
#7186 – Trust Payouts	2004 Final Payout	\$ 37,401.58	Trust Fund
#7187 – A/P	Miscellaneous Manual Checks Paid	\$ 1,976.92 54.03 19.97 49.10	General Fund Electric Fund Water & Sewer Equipment Fund
#7188 – Trust Payouts	For Period 02/16/05 – 02/28/05	\$ 593,042.16	Trust Fund
#7189 – A/P	04/04/05 Bills (No Council Meeting)	\$ 16,628.70 11,916.77 21,379.47 2,103.34 2,846.58 142.85 28.08	General Fund Electric Fund Water & Sewer Waterfront Fund Equipment Fund Historical Fund Police Reserves
#7190 – State of Michigan	March '05 Sales & W/H Tax	\$ 3,411.44 10,116.26	General Fund Electric Fund
#7191 – Payroll	PPE 04/03/05	\$ 11,350.07 1,525.72 802.91 12,201.20 6,874.44 1,998.61 1,402.66 441.37	General Fund Major Streets Fd Local Streets Fd Electric Fund Water & Sewer Waterfront Fund Equipment Fund Historical Fund
#7192 – A/P	04/18/05 Council Bills	\$ 47,801.52 30.00 30.00 46,335.22 9,663.35 1,972.22 1,772.65 397.33 42.00 3,217.65	General Fund Major Streets Fd Local Streets Fd Electric Fund Water & Sewer Waterfront Fund Equipment Fund Historical Fund Police Reserves W.T.T. Fund

#7029 – Motion by Heinz, second by Grogan, to approve the bills in the amount of \$888,765.95.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED, that claims on voucher numbers 7185, 7186, 7187, 7188, 7189, 7190, 7191, and 7192, checked by the finance committee, in the amount of \$888,765.95 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	\$ 90,279.78
Major Streets Fund	3,314.75
Local Streets Fund	1,181.95
Electric Fund	92,920.51
Water & Sewer Fund	44,337.22
Waterfront Fund	6,854.68
Equipment Fund	14,722.67
Historical Fund	1,422.92
Trust Fund	630,443.74
Police Reserves	70.08
W.T.T. Water Fund	<u>3,217.65</u>
Total	\$888,765.95 =====

### 3. Citizen Comments

Kathy Lott, Executive Director of the Harbor Springs Chamber of Commerce, thanked City Council for their continuing support of the Chamber of Commerce activities. She particularly thanked Council for their approval of the Street Musique Program and the City's financial support for the program.

### 4. Little Harbor Club Request for an Outdoor Event

City Manager Geuder stated that the Little Harbor Club requested having an outdoor party to celebrate the Club's seventy-fifth anniversary. City Manager Geuder introduced Walter Fisher, representing the Little Harbor Club.

Fisher stated that the Little Harbor Club's seventy-fifth anniversary party has been scheduled for July 30, 2005. The Little Harbor Club would like to have a band play outside on the veranda until midnight. Fisher also stated that a letter was sent to all of the neighboring property owners informing them of the party plans. If the neighbors had any questions or concerns, they were given his number to contact him or told they could come to this City Council meeting to voice their concerns. Fisher said he had not received any comments.

Council discussed the proposed anniversary party with Fisher and Manager Geuder. Fisher stated that the Little Harbor Club would cooperate with the City if there were any complaints. There were no Council objections to having the band play outside on the veranda until midnight.

### 5. Harbor Point Request to Operate a Transport Vehicle Between Harbor Point and the Little Harbor Club

City Manager Geuder stated that Harbor Point would like to have a designated route to transport people from Harbor Point to the Little Harbor Club. Manager Geuder introduced Eric Blesi, the General Manager for Harbor Point.

Blesi told Council that Harbor Point was replacing the Special Carriage vehicle currently being used to transport people from Harbor Point to the Little Harbor Club. The Special Carriage is beginning to show its age and the decision has been made to replace it.

Blesi stated that Harbor Point would like to replace the Special Carriage with a vehicle made by Club Car. The Club Car vehicle, called the "Villager Eight", is basically a large golf cart equipped with a gasoline engine, headlights, taillights, brake lights, turn signals, windshield, top, side curtains and a horn. However, there is a chance that the Villager Eight could not be licensed for use on the street. The Special Carriage is currently licensed. The Secretary of State could consider the Villager Eight an Off Road Vehicle (ORV). Should that happen, the Villager Eight could not be used on the street unless the City designated a route for its use.

Blesi stated a designated route is permissible according to City Attorney Ramer. He stated that the proposed designated route to the Little Harbor Club would run from the Harbor Point Gate north on Traverse Street to Hankey Street, then east on Hankey Street to the back door of the Little Harbor Club. The return trip would start at the back door of the Little Harbor Club and go west on Hankey Street to Traverse Street, then south on Traverse Street to the Harbor Point Gate.

Manager Geuder stated that both City Attorney Ramer and Police Chief Branson believe that the Villager Eight could be licensed. If a license should be granted for the Villager Eight, the need for a designated ORV route would not be necessary. The designated route alternative is a back-up plan in the event the Villager Eight cannot be licensed.

Council members discussed this issue. After the discussion, the following motion was offered:

#7030 – Motion by Grogan, second by Kors, to approve a designated ORV route for the Harbor Point vehicle, the Villager Eight, to traverse from Harbor Point to the Little Harbor Club by leaving from the Harbor Point gate traveling north on Traverse Street to Hankey Street, then traveling east on Hankey Street to the back door of the Little Harbor Club and returning to Harbor Point by traveling west on Hankey Street to Traverse Street, then traveling south on Traverse Street to the Harbor Point Gate. The designated ORV route will take effect only if the Secretary of State Office will not license the Villager Eight for street use.

Ayes – 5  
Nays – 0

#### 6. Walstrom Marine Concession License

City Manager Geuder stated that Walstrom Marine had requested a Concession License to operate the concession stand, the "Beach Side Grill", next to Zorn Park. Walstrom Marine provided a menu of items they plan to sell and their proposed hours of operation. Manager Geuder stated that the concession stand has worked very well and recommended that Council approve renewing the concession license for the 2005 summer season.

#7031 – Motion by Kors, second by Pfeifer, to approve the renewal of a concession license for Walstrom Marine's Beach Side Grill for the 2005 summer season.

Ayes – 5  
Nays – 0

7. Street Fund Work for the Spring of 2005

A. Sidewalk Construction and Repairs

City Manager Geuder stated that he received bids from three contractors for the sidewalk projects proposed for this spring. The bids were:

1.	Ira's Concrete / Harbor Springs Excavating	\$27,539.05
2.	H & D Inc.	\$35,913.00
3.	Birchwood Masonry	\$48,419.40

Manager Geuder recommended to Council to approve the bid of Ira Concrete / Harbor Springs Excavating for the proposed sidewalk projects. Council discussed the construction schedule of the proposed sidewalk projects. Manager Geuder addressed their concerns.

#7032 – Motion by Heinz, second by Grogan, to approve the proposed sidewalk projects as bid by Ira Concrete / Harbor Springs Excavating at a cost of \$27,539.05. Further, the City Manager is authorized to execute the agreement.

Ayes – 5  
Nays – 0

B. State Street Re-Building Project between Bay Street and Main Street

City Manager Geuder stated that the City received three bids to do the State Street Re-Building Project between Bay Street and Main Street. Manager Geuder stated that there were two alternative bids requested. Alternate Bid No. 1 was to do the project in the fall and have an October 21, 2005 completion date. Alternate Bid No. 2 was for the cost to replace paver bricks in the sidewalk. It is believed that the property owners had the paver bricks installed when the sidewalk was constructed. This was done before Manager Geuder was employed with the City. The decision to replace the paver bricks with concrete was discussed.

Council members discussed replacing the paver bricks. Councilperson Heinz stated that he believed that if the paver bricks were there, they should be replaced. No other Council members objected to Councilperson Heinz's statement. Manager Geuder recommended that the State Street Re-Building Project be approved with the Alternate No. 2, that the paver bricks be replaced also.

Manager Geuder stated that he received the following bids:

<u>Contractor Name</u>	<u>Bid Price</u>	<u>Bid Price inc. Paver Replacement</u>
H & D, Inc.	\$48,878.53	\$50, 711.53
Harbor Springs Excavating	\$45,796.07	\$52,123.01
Tri-County Excavating	\$45,023.00	\$47,023.00

Based on Benchmark Engineering's recommendation, Manager Geuder recommended that the contract to rebuild State Street between Bay Street and Main Street be awarded to Tri-County Excavating.

#7033 – Motion by Grogan, second by Heinz, to award the contract to Tri-County Excavating for the State Street Re-Building Project between Bay Street and Main Street at a cost of \$47,023.00, which would include replacement of the paver bricks. Further, the City Manager is authorized to execute the contract.

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

#### C. State Street at East Bluff Drive Project Update

City Manager Geuder stated that he had finally heard back from the State of Michigan, Department of Transportation (MDOT), on repairing the intersection at State Street and East Bluff Drive. MDOT does not have a problem with the proposed project, but unfortunately there are no State funds available for the project from MDOT.

Manager Geuder reviewed a proposal received last fall from H & D, Inc. to repair the intersection. Manager Geuder stated that the proposal needed to be updated. Asphalt prices appear to be on the rise because of increased petroleum costs. Manager Geuder stated that he would have the proposal updated and if Council wanted to proceed, the City would have to pay for the project itself. Due to the lower cost and shorter project time, Manager Geuder recommended proceeding with the asphalt option.

Councilperson Grogan questioned if concrete would hold up longer and be more durable than asphalt. Due to vehicles, especially trucks coming down the hill to the south on State Street, Councilperson Grogan thought perhaps the concrete option would be a better alternative. Manager Geuder stated that he would have the concrete option updated also.

#7033 – Motion by Pfeifer, second by Grogan, to authorize the Mayor to approve the State Street / East Bluff Intersection Project after the City Manager gets the project costs updated. Upon approval of the project by the Mayor, the City Manager is authorized to proceed with the project if the updated costs do not exceed \$30,000.00 and is authorized to execute the necessary construction agreements.

Ayes – 5  
Nays – 0

#### 8. Update on the Waterfront Two-Hour Courtesy Dock Project

City Manager Geuder stated that Tom Graf of the State of Michigan, Department of Environmental Quality (MDEQ) informed him that the permit is on the way, but that the City also needed a permit from the United States Army Corp of Engineers. Manager Geuder said that Benchmark Engineering had filed for the permit from the Corp of Engineers, and that he has received the Corp of Engineers' permit, too.

Therefore, he is going to proceed with the project this spring, as directed previously by City Council.

9. Resolution to Amend the Employee Contribution to MERS

City Manager Geuder stated that City Clerk McRae prepared the "Resolution to Amend the Resolution for Adopting the Municipal Employees' Retirement System of Michigan Defined Benefit Programs" to have Council authorize the employee contribution rate of 4.12%. Employees currently contribute 4.33% to the Municipal Employees' Retirement System of Michigan (MERS) pension plan. The reason for the reduction is because more monies were transferred into MERS than was previously anticipated.

#7034 – Motion by Heinz, second by Kors, to approve the "Resolution to Amend the Resolution for Adopting the Municipal Employees' Retirement System of Michigan Defined Benefit Programs", which will require the City employees to contribute 4.12% instead of 4.33% of their gross wages.

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

10. Millage Rate "Truth in Taxation" Public Hearing

City Manager Geuder stated that City Clerk McRae prepared a memorandum outlining the need for the City to hold a "Truth in Taxation" Public Hearing for the City to levy a millage rate to generate \$1,126,000.00 from property taxes. The proposed millage rate will increase from 5.9592 mills levied in 2004 to 6.0001 mills to be levied in 2005.

Manager Geuder pointed out that the maximum millage that the City can levy without a vote of the people is 6.5351 mills, which would generate \$1,226,399.00 if levied.

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

#7035 – Motion by Heinz, second by Pfeifer, to have a "Truth in Taxation" public hearing at the May 2, 2005 regular City Council meeting, which would authorize Council to levy up to 6.0001 mills without a vote of the residents in of the City of Harbor Springs.

Ayes – 5  
Nays – 0

11. MML Region VI Annual Meeting

City Manager Geuder stated that the Michigan Municipal League (MML) Region VI annual meeting is being held from 9:30 am to 3:00 pm on Friday, May 20, 2005 in Charlevoix. Manager Geuder asked if any Council members would like to attend.

Mayor Jardine and Councilperson Grogan will attend with City Manager Geuder.

12. Boards and Commissions

A. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the next ZBA meeting is scheduled for 5:30 pm, Wednesday, May 11, 2005. The meeting will be held in the Council Chambers.

B. Planning Commission (PC)

Mayor Jardine announced that the next PC meeting is scheduled for 6:00 pm, Thursday, April 21, 2005. The meeting will be held in the City Council Chambers.

C. Next City Council Meeting

The next regular City Council meeting is scheduled for 7:00 pm, Monday, May 2, 2005. The meeting will be held in the Council Chambers at 160 Zoll Street, Harbor Springs, MI 49740.

13. Old and New Business

A. Outdoor Lighting Forum

Councilperson Grogan asked about the award from the Lighting Forum. City Manager Geuder stated that the City was selected to receive the Gary R. Williams Excellence in Outdoor Lighting Award for the efforts by the City to diminish night sky light pollution. The City has placed hoods over the streetlights to reflect the light downward and has encouraged developers to plan their projects to control parking lot lights and other outside lighting from going skyward.

B. Spring Clean Up

Councilperson Kors stated that the Department of Public Works' crew is really getting things cleaned up. She believes they are doing a great job again this spring.

C. West Dock Project

Councilperson Kors stated that it appears the West Dock Project has come to a stand still. City Manager Geuder stated that the project is being put on hold to prepare for the 2005 boating season and to shift efforts to the East Dock Electrical System Upgrade Project. The West Dock Project will resume this fall.

D. Recycling Information

Councilperson Kors stated that she was happy to see the recycling reports from the Emmet County Department of Public Works. She would also like to see some data on the IGA Recycling Area. She would like to know if the amount of recyclables being deposited at the IGA drop site has decreased.

E. Water Contract Negotiations with Harbor Point

Mayor Jardine questioned the status of the Water Contract negotiations with Harbor Point and West Traverse Township. City Manager Geuder stated that the contract is still being worked out. Harbor Point did agree to install the radio read meters. Councilperson Heinz asked if a master meter was being considered. Manager Geuder stated that he would look into that issue.

F. Progress of Negotiations of the Lease of the Parish Hall Lot for Parking

Mayor Jardine asked where the City was in its negotiations on the lease of the Parish Hall lot for parking. City Manager Geuder and City Attorney Ramer stated that they were close to having an agreement completed.

14. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:12 pm.

Approved: May 2, 2005

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Ronald B. McRae, City Clerk

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Jean Jardine, Mayor

City Council Meeting Minutes  
April 18, 2005  
Attachments