

**Harbor Springs City Council**  
**May 2, 2005**

Mayor Jardine called the twelfth 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 April 18, 2005 regular City Council meeting minutes were noted:

1. Item 7C, page 6, second paragraph, fourth sentence reads, "...and if Council wants to proceed, even if the City would have to pay for the project itself." It should read, "...and if Council wants to proceed, the City would have to pay for the project itself."
2. Item 7C, page 6, third paragraph, second sentence reads, "...vehicles, especially trucks coming down the hill..." It should read, "...vehicles, especially trucks, coming down the hill..."
3. Motion number 7033 was used twice. The motion numbers will be changed in Item 7C, page 6, from Motion No. 7033 to 7034, in Item 9, page 7, from Motion No. 7034 to 7035, in Item 10, page 7, from Motion No. 7035 to 7036.

#7037 – Motion by Pfeifer, second by Kors, to approve the April 18, 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:

#7193 – Payroll	PPE 04/17/05	\$ 10,323.59	General Fund
		763.38	Major Streets Fd
		95.41	Local Streets Fd
		12,283.10	Electric Fund
		5,844.19	Water & Sewer
		1,570.66	Waterfront Fund
		437.52	Equipment Fund
		441.37	Historical Fund

#7194 – Trust Payouts	Delinquent P.P.T. Payouts	\$ 8,054.28	Trust Fund
#7195 – A/P	05/02/05 Council Bills	\$ 14,295.52	General Fund
		2,544.00	Major Streets Fd
		257.61	Local Streets Fd
		128,680.56	Electric Fund
		2,342.55	Water & Sewer
		73,870.71	Waterfront Fund
		1,392.31	Equipment Fund
		82.66	Historical Fund
		21.00	Police Reserves

#7038 – Motion by Grogan, second by Heinz, to approve the bills in the amount of \$263,300.42.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED, that claims on voucher numbers 7193, 7194, and 7195, checked by the finance committee, in the amount of \$263,300.42 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	\$ 24,619.11
Major Streets Fund	3,307.38
Local Streets Fund	353.02
Electric Fund	140,963.66
Water & Sewer Fund	8,186.74
Waterfront Fund	75,441.37
Equipment Fund	1,829.83
Historical Fund	524.03
Trust Fund	8,054.28
Police Reserves	<u>21.00</u>
 Total	 \$263,300.42 =====

3. Citizen Comments

Father Joseph Graff, pastor at Holy Childhood Church, asked City Council for approval to hold an antique sale on the July 4<sup>th</sup> weekend. Father Joe stated that the antique sale would be held in the Church’s parking lot near the east end by the convent area.

Council members discussed this issue. It was the consensus of Council members present that an antique sale is approved once a date was set. After the discussion, Mayor Jardine directed Father Joe to settle on a specific date and then notify the City Manager.

4. Public Hearing on "Truth in Taxation" Millage Increase

Mayor Jardine opened the public hearing at 7:02 p.m.

City Manager Geuder stated that the City of Harbor Springs is looking to increase its millage rate from 5.9592 mills to 6.0001 mills. The City needs \$1,126,000 from property taxes to meet its Budgeted Revenue Requirements. Without the "Truth in Taxation" Public Hearing, the City would be able to generate only \$1,069,300 with a maximum millage rate of 5.6981 mills. City Manager Geuder passed out a listing of the City's millage rates levied over the last several years.

City manager Geuder also noted that the City would need to have a "Headlee Over Ride Election" to increase the millage rate above 6.5351 mills. If the City were to levy the Headlee maximum millage rate, the property tax levy would total \$1,226,400.

Mayor Jardine asked if any one present would like to comment or ask questions. Henry Robinson, State Street, Harbor Springs, asked why the City needed to raise its millage rate if property values are increasing each year. City Clerk McRae stated that the inflation rate is higher than the adjusted Consumer Price Index (CPI) used by the State of Michigan to determine the Headlee Roll Back Fraction and the Maximum Millage Rate that could be levied. Furthermore, the State of Michigan continues to cut back on State Revenue Sharing fund distributions.

Lastly, health care and gas prices are increasing at a much higher rate than property taxable values are permitted to increase. Robinson asked if the City was passing along health care insurance premium increases to the City employees. Manager Geuder explained that the City is partially doing that with each labor contract negotiation. The last major concession in the labor agreement will allow the City to go to a "15/30 prescription drug" plan with Blue Cross Blue Shield in May 2007.

No other comments or questions were asked.

Mayor Jardine closed the "Truth in Taxation" Public Hearing at 7:05 p.m.

5. Petoskey Public Library Presentation

City Manager Geuder introduced Karen Sherard, Executive Director of the Petoskey Public Library. Sherard gave an overview of the recent improvements to the Petoskey Public Library. She also stated that she was not here to discuss the creation of a District Library. She did state that the Petoskey Public Library is being funded by the City of Petoskey and that there are Harbor Springs residents utilizing the Petoskey Public Library.

Sherard passed out handouts that related to the use of the Petoskey Public Library by Card Holders by municipality. She also passed out a brochure titled "Welcome to Petoskey Public Library". The brochure primarily provided a summary of the services offered, schedule of library hours and a layout of the facilities by floor.

Lastly, Sherard discussed the funding of the library and asked if Harbor Springs would enter into discussions to discuss funding the Petoskey Public Library in some way to pay for the use of the Petoskey Public Library by the cardholders. Sherard explained that the cost per cardholder to use the Library was \$150. The revenues derived currently cover only \$45 per cardholder. This leaves a deficit of \$105 per cardholder, which is funded by Petoskey taxpayers.

Mayor Jardine stated that the City Council would review the materials and discuss Ms. Sherard's idea at a later date.

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## 6. Local Service Club Requests

City Manager Geuder stated that he has received a number of requests from various service organizations for events to be held on, or displays of art to be displayed, on City Property. They are:

### A. Chamber of Commerce Fourth of July Celebration

Kathy Lott, Executive Director of the Harbor Springs Chamber of Commerce (Chamber), stated the Chamber would like approval to hold the Fourth of July Parade and Fireworks Display. Lott stated that the parade will be held as in past years. It will start at 1:00 p.m. and go down Main Street west from Zoll Street to State Street, south on State Street to Bay Street and then east on Bay Street. The Chamber has contracted with Colonial Fire Wireworks of Toledo, Ohio, for the fireworks display. That is the same company that has done the fireworks in the past. She plans to have the fireworks display administered and implemented as it was last year. She will be happy to work with the City Manager, the Police Chief and the Fire Chief to keep things as safe as possible. Further, the Chamber, the City and Walstrom Marine will be provided copies of Colonial's liability insurance certificate naming the three entities as additional insureds.

Lott discussed with Council the safety hazard created with the throwing of candy and other small items from vehicles in the parade. Lott stated that the Chamber has endorsed a policy to bar an entrant from the following year's parade if items, such as candy, are thrown from a vehicle.

#7039 – Motion by Kors, second by Heinz, to approve the Harbor Springs Chamber of Commerce request for the Fourth of July Parade and Fireworks Display. Further that the Chamber of Commerce is to work with the City Manager, the Police Chief and the Fire Chief to administrate the Fourth of July activities and keep it safe; the insurance coverage and limits are to be approved by the City Attorney. Should there be any problem with any part of the planning or events, any of the four City officials shall have the authority to cancel or postpone the event.

Ayes – 5

Nays – 0

### B. Girls on the Run 5K Race

City Manager Geuder stated that he received a request from Debbie Esposito, on behalf of the Girls on the Run program, to hold a 5K Race (3.1 miles) that would start in Harbor Springs on Bay Street just west of the State Street intersection. The 5K Race would be held on June 4, 2005, beginning at 9:30 a.m.

Council discussed this request. Council questioned the sign up procedure. After their discussion, the following motion was offered:

#7040 – Motion by Pfeifer, second by Grogan, to approve the 5K Race as proposed. Further, City Manager Geuder is to obtain the sign up information Council was requesting.

Ayes – 5

Nays – 0

C. Peace Vigil

City Manager Geuder stated he received a request from some members of the First Presbyterian Church of Harbor Springs, Kim Jones and Teresa Betts-Cobau, to hold an interfaith event to commemorate and pray for the lives lost in the Iraq War, as well as praying for peace, a Peace Vigil. The event is proposed for Saturday, May 7, 2005, from 4:00 p.m. to 5:00 p.m. They intend to start by walking from the Harbor Springs City Hall at 160 Zoll Street to Zorn Park by way of Bay Street. They expect from two to twenty people to participate.

At Zorn Park they will respectfully say a few words honoring those who have died and sing a few songs appropriate to the occasion.

#7041 – Motion by Heinz, second by Pfeifer, to approve the Peace Vigil, as presented.

Ayes – 5  
Nays - 0

D. Second Century Project Picnic

City Manager Geuder introduced Mary Ellen Hughes, who is representing the Second Century Project Group. The Second Century Project Group is fund raising for the new auditorium.

The Second Century Project fundraising group would like to hold a picnic in Zorn Park on Saturday, May 21, 2005 from 11:00 a.m. until 2:00p.m. This event would be part of the Trillium Festival. The picnic would be a fund-raiser to raise monies for the new auditorium planned for the Harbor Springs High School. Roy Hall and his culinary class from Petoskey High School will be preparing the food.

Council discussed this event. After the discussion the following motion was offered:

#7042 – Motion by Pfeifer, second by Kors, to approve the Second Century Project Fundraising Committee to use Zorn Park on Saturday, May 21, 2005 from 10:00 am to 3:00 p.m. for a picnic to raise funds for the new auditorium.

Ayes – 5  
Nays – 0

E. Art in Public Places

City Manager Geuder stated he received a request from the Crooked Tree Arts Center to place art in public places. The “Art in Public Places Project” celebrates the work of seven Michigan sculptors. Their work would be displayed in the Pellston Airport, the entrance to the Crooked Tree Arts Center, the municipal marina parks in Boyne City and Charlevoix, at a site to be determined on Main Street in East Jordan, and hopefully in the municipal marina park in Harbor Springs (or perhaps some other place).

The Crooked Tree Arts Center would move the displays once every six months to a different location over the next three and one half years. At the end of the three and a half years, the sculptures would be sold and the Crooked Tree Arts Center would receive a ten percent commission. The benefit to the municipalities is that they would

have the opportunity to display the seven pieces of art over the next forty-two months.

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Manager Geuder thought that some where in the area down near the marina would be a good place to place the art, perhaps between the gazebo and coffee cart location. Council discussed this issue with Manager Geuder. It was the consensus of Council members to participate in the program, but would decide on the specific location to display the art at a later date.

#### F. Welcome Back Picnic

City Manager Geuder stated that he received a letter from Reverend Kathy Cadarette, the Minister of the United Methodist Churches of Harbor Springs and Alanson, requesting the use of Zorn Park for a "Welcome Back, Harbor Springs" celebration. This request is being made on behalf of the Harbor Springs area clergy and churches. Manager Geuder introduced Father Joe Graff, Priest of Holy Childhood Church.

Father Joe stated that the proposed "Welcome Back, Harbor Springs" celebration would be from 11:00 a.m. to 1:00 p.m., on Saturday, June 11, 2005. A picnic of free refreshments, special activities for children and some entertainment in the form of skits and singing are being planned. The members of the area churches will set up and cleanup the park after the program. This is just a way the local churches have in saying, "Welcome back and we appreciate our summer residents."

Council members asked City Attorney Ramer if there was a problem with the churches using the park. City Attorney Ramer stated that he did not see any, and he thought that the "Welcome Back, Harbor Springs" celebration, as proposed, was a good event for the park use.

#7043 - Motion by Grogan, second by Pfeifer, to approve the Harbor Springs area churches request to use Zorn Park for their "Welcome Back, Harbor Springs" celebration, as presented, and including set-up and clean-up time.

Ayes – 5

Nays – 0

#### 7. Resolution to Establish the 2005 Millage Rate

City Manager Geuder stated that the City of Harbor Springs has a very low millage rate compared to many communities. As part of the City's proposed millage rate, the Street Funds will receive monies amounting to approximately 0.9 mills and the debt on the City Hall and Police Station will require revenue based on approximately 0.4 mills. This means that the City of Harbor Springs actually operates on less than 5 mills.

#7044 – Motion by Heinz, second by Kors, to approve the "Resolution to Set the 2005 Millage Rate", which sets the millage rate to be levied in 2005 at 6.0001 mills.

Ayes – Jardine, Grogan, Heinz, Kors and Pfeifer

Nays - None

8. Lease for the Empty Lot Where the Parish Hall Was Located for Parking

City Manager Geuder stated that the City has completed negotiations on a lease with the Gaylord Diocese (the "Diocese") for the lease of the empty lot where the Parish Hall was located. This is a great opportunity for the City and thanked Councilperson Grogan for his efforts. The City will lease the lot for purposes of using it as a public parking lot for a term of one year. The lease will automatically renew each year unless there is a termination of the lease. The lease may be terminated at any time with a 90 day written notice of termination by either the Diocese or the City.

The City will pay one dollar per year for the lease and will pay for any taxes or assessments that may be applied or assessed on the Parish Hall lot. The City will insure the parking lot and hold the Diocese harmless. Finally, the City can only improve the Parish Hall lot for purposes of a parking lot. Manager Geuder thought that perhaps the City would stripe the north end of the lot and level the south end of the lot. The City may place a top stone or gravel on the lot and place parking concrete bumpers to help define parking places.

Father Joe questioned the safety of keeping open the entrance to the lot off of Main Street. City Manager Geuder stated he would meet with the Police Chief and assess the safety issue before making a decision on how to plan the lot for maximum space utilization.

#7045 – Motion by Kors, second by Grogan, to approve the "Parking Lot Lease" for the lot where the Parish Hall was located, as presented. Further, to authorize the Mayor and City Clerk to execute the lease.

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

9. Consideration of a Resolution to Approve the Reppard Lot Split

City Manager Geuder stated that the Planning Commission reviewed the lot split proposed and approved recommending to City Council to approve this lot split as proposed. Manager Geuder stated that the proposed Reppard Lot Split requires City Council approval because a portion of Center Street starting approximately 230 feet south of Pine Street and going south to East Bluff Drive will be abandoned and a variance will occur affecting the northern two lots of the lot split. The northern two lots will not have the road frontage required by the zoning code.

The Planning Commission recommended Council approval of this lot split because all of the lots created exceed the minimum lot size and this is a reasonable plan for the property. Further, no improvements to the property may occur until the owner proves that there is sufficient financing available to do the project.

Council members noted that construction had already started on the northern most lot. Mayor Jardine stated that she would like this issue tabled until the next meeting to give Council members an opportunity to study the conditions of the lot split.

Joe Bassett, representing the Reppard family, stated that the financing and closing of the northern most lot is set for Thursday, May 5, 2005. If Council does not approve the lot split, it would hurt the Reppard family. Bassett stated that he was angry that the contractor jumped the gun and understands Council's anger over this issue. Manager Geuder stated that he shut down the work.

Council member Kors believed that the contractor should be penalized, however, she does not wish to penalize the Reppard family.  
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Council members discussed the building location on the northern most lot.

#7046 – Motion by Kors, second by Heinz, to approve the proposed “Joint Agreement for Development of Property” (the “Joint Agreement”), which approves the lot split of the Reppard property, as proposed, abandons Center Street from a point approximately 230 feet south of Pine Street, and vacates the abandoned road right-of-way to the Harbor Springs Public Schools. Further, to authorize the City Manager to execute the “Joint Agreement”.

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

#### 10. Update on the West Hill Project

City Manager Geuder stated that he had received prices from H & D, Inc. to do the repair to the State Street, East Bluff Drive and West Bluff Drive intersection. To do the repair with concrete would be \$28,582 and to do the repair with asphalt would be \$20,964. If the City permits H & D, Inc. to close State Street entirely to complete the project, H & D, Inc. will deduct \$1,380 from the project cost. These prices are below the \$30,000 limit set by Council.

However, the project cannot be done until summer or early fall. Rather than create a road blockage for week or two in the summer season, Manager Geuder suggested doing the project right after Labor Day. The consensus of Council was to follow the City Manager’s recommendation.

#### 11. 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)

Council reviewed the April 21, 2005 PC meeting minutes. Mayor Jardine announced that the next PC meeting is scheduled for 6:00 pm, Thursday, May 19, 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 16, 2005. The meeting will be held in the Council Chambers at 160 Zoll Street, Harbor Springs, MI 49740.

#### 12. Old and New Business

##### A. Maintaining List of Old and New Business Items

Councilperson Pfeifer reminded City Manager Geuder to keep up the list of “Old and New Business” items to bring back to Council.

13. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:52 pm.

Approved: May 16, 2005

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Ronald B. McRae, City Clerk

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Jean Jardine, Mayor

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Attachments