

**Harbor Springs City Council Minutes
May 7, 2007**

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 and Laura Kors

Absent: Dennis Wiggins

Also Present: City Attorney James Ramer, City Manager Fred Geuder, City Police Chief Dan Branson, DPW Superintendent Rick Ward and City Clerk Ron McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#7300 – Motion by Grogan, second by Kors, to approve the April 16, 2007 regular City Council meeting minutes as read.

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 made from the following funds:

#7372 – Payroll	P.P.E. 4/15/07	\$ 29,120.02 General Fund 2,041.48 Major Sts Fund 627.09 Local Sts Fund 422.40 Historical Fund 11,274.49 Electric Fund 5,203.77 W & S Fund 1,549.53 Waterfront Fd 1,982.67 Equipment Fd
#7373 – A/P	No Council 4/20/07	\$ 778.53 General Fund 29.16 Historical Fund 1,161.77 Electric Fund 119.79 W & S Fund 5,895.80 Waterfront Fd 134,571.50 Equipment Fd
#7374 – Payroll	P.P. E. 4/29/07	\$ 29,813.90 General Fund 404.70 Major Sts Fund 209.28 Local Sts Fund 422.40 Historical Fund 10,581.37 Electric Fund 4,915.42 W & S Fund 3,130.79 Waterfront Fd 1,066.64 Equipment Fd
#7375 – Payouts	3/29 – 4/30/07	\$ 5,710.77 Trust Fund
#7376 – A/P	Council 5/07/07	50,278.19 General Fund 5.41 Major Sts Fund 10,357.63 Local Sts Fund 5.41 Police Res Fd 329.78 Historical Fund 180,069.06 Electric Fund 31,911.74 W & S Fund 1,386.45 Waterfront Fd

		14,461.62 Equipment Fd
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#7301 – Motion by Grogan, seconded by Heinz, to approve the bills in the amount of \$539,838.56.

Ayes – 4
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7372, #7373, #7374, #7375, and #7376, checked by the Finance Committee, in the amount of \$539,838.56 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	\$109,990.64
Major Streets Fund	2,451.59
Local Streets Fund	11,194.00
Police Reserve	5.41
Historical Fund	1,203.74
B. A. Construction Fund	.00
Electric Fund	203,086.69
Water & Sewer Fund	42,150.72
West Traverse Fund	.00
Waterfront Fund	11,962.57
Equipment Fund	152,082.43
Trust Fund	5,710.77

Total	\$ 539,838.56
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3. Citizen Comments

A. Proposed Clock

Peter Sears, East Bay Street, requested Council approval to raise funds to put a clock on the northeast corner of State Street and Main Street. Sears stated that a bank account would be established at the First Community Bank for the contributions.

Council members thought the conceptual plan of having the community put a clock at State Street and Main Street was a good idea and did not have a problem with the collecting of funds to purchase and install the clock. Sears thanked City Council.

B. Proposed Improvements on the Northeast Corner of State and Main Streets

Bill Prall discussed a proposed plan to re-landscape the northeast corner of State and Main Streets. Prall provided drawings of his plan. He stated that the Garden Club would maintain the flowers, and that Gow Litzenberger would do the initial installation. Prall stated that when the idea of the clock was proposed the designer, Sheridan Jones, included it in the conceptual drawing.

Council members were pleased with the conceptual drawings, but cautioned that before any approvals could be granted, the property owner needed to approve the project and perhaps grant an easement. Prall stated that his group would review this issue.

C. Parade

Kathy Lott, Executive Director of the Harbor Springs Chamber of Commerce, reminded Council of the Spring Parade scheduled for Saturday at 12:00 noon, May 19, 2007.

4. Truth in Taxation Public Hearing

Mayor Jardine called the "Truth in Taxation" Public Hearing to order at 7:23 p.m.

Mayor Jardine asked if there were any comments. No one spoke up. She asked City Manager Geuder if any correspondence was received.

Manager Geuder stated that he received correspondence from Darwin Gilbert, 194 W. Bay St., Unit 4. Mr. Gilbert thought that Council should keep the millage rate at its current amount and use the additional funds as "Enhancement Funds".

No other correspondence was received.

Mayor Jardine closed the "Truth in Taxation Public Hearing" at 7:24 p.m.

5. Utility Rate Increase Public Hearing

Mayor Jardine called the Utility Rate Increase Public Hearing to order at 7:24 p.m.

Mayor Jardine asked if anyone had any comments. No one spoke up. She asked City Manager Geuder if he had received any correspondence. Manager Geuder stated that he had not.

Mayor Jardine closed the Utility Rate Increase Public Hearing at 7:25 p.m.

6. Resolution to Establish the 2007 Millage Rate

City Manager Fred Geuder stated that the proposed millage rate is less than the millage rate levied in 2006, but because the proposed millage rate exceeds the "Truth in Taxation" millage rate, the public hearing was necessary. Further, Manager Geuder briefly reviewed the 2006 data and compared it to the proposed 2007 estimated data.

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

#7302 – Motion by Grogan, second by Heinz, to approve the "Resolution to Establish the 2007 Millage Rate", which authorizes a millage rate of 5.8774 mills for 2007.

Ayes - Kors, Jardine, Grogan and Heinz
Nays - None
Absent - Wiggins

7. Ordinance No. 367

City Manager Geuder stated that Ordinance No. 367 was drafted to address the needed changes and clarification of when the City begins and discontinues billing its utility customers, changes relating to the pay back of deposits, and water scarcity emergencies.

City Council discussed proposed Ordinance No. 367 with City Manager Geuder and City Attorney Ramer. After the discussion, the following motion was offered:

#7303 – Motion by Heinz, second by Grogan, to approve Ordinance No. 367, which clarifies when the City begins billing its utility customers, discontinues billing, defines when deposits may be returned and gives the City Manager the ability to address water scarcity issues.

Ayes - Jardine, Grogan, Heinz and Kors
Nays - None
Absent - Wiggins

8. Resolution to Amend the Utility Rates for Electric, Water and Sewer

City Manager Geuder discussed the utility rate changes proposed in the “Resolution to Amend the Utility Rates for Electric, Water and Sewer” (the “Resolution”). He discussed having a summer and winter electric rate, going to a three month rolling average to calculate the fuel cost adjustment, and reviewed the change in the base rate. Manager Geuder discussed the increase in power costs and enforcement of State mandates that require the City to meet new standards. Manager Geuder reviewed the changes in our sewage treatment methodology and its effect on the sewage treatment costs.

Manager Geuder suggested that the City Staff review utility rates every couple of years rather than waiting six years.

Councilpersons Kors and Grogan stated that the City Staff produced rates that met Council guidelines and these rates have been discussed and studied extensively by Council.

#7304 – Motion by Kors, second by Heinz, to approve the “Resolution to Amend the Utility Rates for Electric, Water and Sewer Effective on all Utility Billings after June 1, 2007”. The Resolution changes various utility rates.

Ayes - Jardine, Grogan, Heinz and Kors
Nays - None
Absent - Wiggins

9. Local Organization Requests

City Manager Geuder stated that he had received four requests from various local organizations. They were:

A. Red Cross

City Manager Geuder stated that the Red Cross is holding another fund raiser, the “Art of Sailing”. They would like to have these sail boats displayed in various locations in downtown Harbor Springs. The sail boats would be displayed from early June until sometime in early August. The sail boats would be displayed at the Irish Boat Shop, the Little Traverse Bay Yacht Club, outside the Pier in the grass between the boat docks and tennis courts, outside of the Depot on the northwest corner of State and Main Streets, and at First Community Bank.

Council discussed this request. An inquiry was made regarding the size of the sail boats. Lott stated that the sail boats would be approximately four to five feet high and about four feet wide. Council members did not have a problem with the request and authorized, by consensus, City Manager Geuder to work with the Red Cross on placement of the boats.

B. Chamber Car Show

Patricia Rheams, a Chamber of Commerce Board member and employee of Hilda's, requested that City Council authorize a special Chamber event. The event would be to display 35 to 40 vintage and new Porsches in Upper Zorn Park on Thursday, June 27th. Boyne Highlands is hosting a group of Porsche owners from June 25th through July 1st. The Harbor Springs Chamber of Commerce is planning to do a fashion show and lunch at the Pier Restaurant on the same day. Lott stated that she was in support of this request.

Council members discussed this issue. Both Councilpersons Grogan and Heinz questioned the City's liability in this event. They asked if the car owners were going to be responsible for any damage done to their cars while being displayed and to any damage done to Zorn Park. Rheams stated that is what is proposed.

Council members, by consensus, authorized City Manager Geuder to work with the Chamber on this event.

C. Historical Society's Shay Days

City Manager Geuder introduced David Harrell, the Executive Director of the Historical Society, to Council. Harrell reviewed the request to hold "Shay Days". The event will run from Friday morning, July 20, 2007 through Sunday afternoon, July 22, 2007. The event would be held at the Shay House and in the park across Judd Street to the east. The Historical Society would like to use the parking area at Ottawa Stadium on Saturday, July 21st, for their "Big Rig" show.

The Historical Society would like to showcase fire trucks, ambulances, wreckers, cranes, dump trucks, T.V. production trucks and others. Harrell stated that the Historical Society has requested approval from the School District as well.

Harrell stated that the Historical Society would also like to hold a Community Picnic and Concert in the park across from the Shay House on Friday or Saturday evening. The picnic would start at 6:00 p.m. and the concert would begin at 7:00 p.m. and go for an hour, ending at 8:00p.m.

Council discussed this request. By consensus, Council authorized City Manager Geuder to work with the Historical Society on "Shay Days", as presented.

D. Removal of the Pine Tree at the Old City Hall

Harrell stated that the Historical Society would like to cut down the pine tree at the Old City Hall. The Historical Society is afraid the tree will be damaged during construction.

Harrell stated that a landscape plan is being put together which may or may not replace the pine tree. However, the plaque dedicated to the "Grand Army of the Republic would be included.

Councilperson Kors suggested that this request be tabled until a conceptual drawing could be provided.

Council members concurred with Council member Kors. Mayor Jardine declared this issue tabled.

10. Consideration of Traffic Control Orders 001-2007 and 002-2007

City Manager Geuder stated that Police Chief Branson would like Council's approval on two traffic control orders that were issued. The traffic control orders expire in ninety days without City Council approval.

Chief Branson stated that Traffic Control Order No. 001-2007 was issued in response to residents' concerns on Spring Street in the vicinity of the school. This traffic control order would amend Traffic Control Order No. 005-2005, dated September 20, 2005.

Traffic Control Order 002-2007 prohibits the parking of a motor vehicle or trailer for more than 48 continuous hours at the same location on any City street, alley, or in any City parking lot unless approved by the Chief of Police.

Chief Branson stated that this traffic control order was written to prevent vehicles in the off season from not moving.

Council discussed the traffic control orders briefly. After the discussion, the following motion was offered:

#7305 – Motion by Grogan, second by Kors, to approve Traffic Control Orders 001-2007 and 002-2007. Traffic Control Order 001-2007 puts a no parking restriction on Spring Street from the southwest corner of Spring Street and Summit Street south toward East Bluff Drive, approximately 150 feet. Traffic Control Order 002-2007 prohibits parking for more than 48 hours on any City street, alley, or in City parking lot without approval of the Police Chief.

Ayes – 4
Nays – 0

11. Concession License Request

City Manager Geuder stated that Walstrom Marine requested a concession license for Zorn Park. Walstrom Marine has been granted the concession license for several years now. City Manager Geuder stated that there have been no problems and Walstrom's does clean up after themselves.

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

#7306 – Motion by Heinz, second by Grogan, to approve issuing a concession license to Walstrom Marine for Zorn Park.

Ayes – 4
Nays - 0

12. Election Inspectors

City Manager Geuder stated that the City Clerk has prepared a list of Election Workers for the May 8, 2007 School Election. There will be two shifts. One Election Inspector will work the entire day. They are:

Morning Shift

Eleanor (Muggs) Jardine
Norine McBride
Judy Meyer

Afternoon Shift

Carol Smelt
Marge Owen
Terry Thoma

Ryan McRae will work all day and serve as Chairman of the Election Inspectors. City Staff Jennifer Kruzell and Ron McRae will provide support and back up for the Election Inspectors.

#7306 – Motion by Kors, second by Heinz, to approve the Election Inspectors to work the May 8, 2007 School Election as presented by the City Clerk.

Ayes – 4
Nays – 0

13. Peffer Well Rehab

City Manager Geuder stated that the Peffer Well is in need of repair. Manager Geuder stated that at the present time the rehab is not critical, but Superintendent Ward would like to see this project done as soon as possible.

Superintendent Ward stated that the Peffer Well is the City's number one well. It is the first well that turns on and the last that turns off. Further, the well is no longer pumping at 100%. Superintendent Ward stated that the Peffer Well has not been rehabbed in ten or twelve years. The price quoted by Peerless – Midwest Inc. to make the repairs was \$36,400, which is a worst case scenario. The proposed work plan is as follows:

- a. pull the pump and repair it,
- b. while the pump is out, clean the well chemically,
- c. t.v. the well casing and screen to look for any potential problems,
- d. reset the pump,
- e. sterilize the well, and
- f. do the flow testing.

Mayor Jardine questioned if this work needed to be done now. Superintendent Ward stated that he recommends the work be done now because the heavy water usage period is about to begin. He would not want to lose the number one well during the heaviest water usage time period.

Councilperson Heinz stated that he believes the project needs to be done. He trusts Superintendent Ward's judgment.

Councilperson Grogan asked if the \$36,400 was a not to exceed amount. Superintendent Ward stated that it was a worst case scenario price. City Manager Geuder stated that travel was included in the \$36,400.

Councilperson Kors stated that to do the project now was good timing.

#7307 – Motion by Kors, second by Grogan, to approve the rehab of the Peffer Well by Peerless – Midwest Incorporated at a cost not to exceed \$36,400.

Ayes - Grogan, Heinz, Kors and Jardine
Nays - None
Absent - Wiggins

14. Boards and Commissions

A. Planning Commission (PC)

Council reviewed the April 19, 2007 PC meeting minutes. Mayor Jardine announced that the next regular PC Meeting is scheduled for 6:00 p.m., Thursday, May 17, 2007 in the City Council Chambers.

B. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the next ZBA meeting was scheduled for 5:30 p.m., Wednesday, May 13, 2007 in the City Council Chambers.

C. Next City Council Meeting

Mayor Jardine noted that the next regular City Council meeting is scheduled for 7:00 p.m., Monday, Monday 21, 2007 in the Harbor Springs City Council Chambers.

15. Old and New Business

A. Pine Street Construction Project

Councilperson Grogan stated that he thought that the Pine Street Construction Project was progressing nicely.

16. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:19 p.m.

Ronald B. McRae, City Clerk

Approved: May 21, 2007

Jean Jardine, Mayor

Attachments