

Harbor Springs City Council
June 1, 2009

Mayor Dika called the eighteenth 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 J. Dika, Michael K. Heinz, Laura Kors and Pringle Pfeifer

Absent: Alan Hegedus

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Daniel J. Branson, DPW Superintendent Joel Clark and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following corrections were noted for the May 18, 2009 regular meeting minutes:

- a. Page 4, Item 7, third paragraph, first sentence reads, "...necessary requirements." It should read, "...necessary improvements."
- b. Page 5, Item 7, Motion No. 7577 reads, "...to approve the submittal to the MDEQ, the Compliance Plan, as prepared by Benchmark Engineering and presented to Council, to authorize..." It should read, "...to approve the submittal of the Compliance Plan, as prepared by Benchmark Engineering, Inc. and presented to City Council, to the Michigan Department of Environmental Quality; to authorize..."
- c. Page 6, Item 12 B reads, "...scheduled for 5:30 p.m., June 10, 2009." It should read, "...scheduled for 5:30 p.m., Wednesday, June 10, 2009."

#7578 – Motion by Pfeifer, second by Kors, to approve the May 18, 2009 regular City Council meeting minutes as amended.

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 be made from the following funds:

Voucher Number	Description	Fund Name	Amount
7554	Trust Settlement	Trust Fund	\$51,474.90
7555	Payroll Ending 5/24/09	General Fund	\$29,283.55
		Major St. Fund	1,004.92
		Local St. Fund	338.28
		Historical Fund	443.60
		Electric Fund	10,572.92
		Water & Sewer Fund	5,433.47
		Waterfront Fund	3,181.24
		Equipment Fund	834.14

7556	Accounts Payable - Council 6/1/09	General Fund	\$11,795.60
		Major St. Fund	105.33
		Local St. Fund	103,671.25
		Historical Fund	65.85
		Electric Fund	137,071.48
		Water & Sewer Fund	18,656.73
		WTTP Water Fund	0.00
		Waterfront Fund	6,333.52
		Equipment Fund	3,147.50

#7579 – Motion by Kors, second by Heinz, to approve the bills in the amount of \$383,414.28.

Ayes – 4
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7554, 7555 and 7556 checked by the Finance Committee, in the amount of \$383,414.28 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	\$41,079.15
Major Streets Fund	1,110.25
Local Streets Fund	104,009.53
Police Reserve	0.00
Historical Fund	509.45
Electric Fund	147,644.40
Water & Sewer Fund	24,090.20
West Traverse Water Fund	0.00
Waterfront Fund	9,514.76
Equipment Fund	3,981.64
Trust Fund	51,474.90

Total	\$383,414.28
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3. Citizen Comments

None

4. Consideration to Approve the Water Reservoir Proposal and Authorize the City Manager to Execute the Contract

City Manager Richards stated that he received two proposals for the construction of the water reservoir. The proposals were from Municipal and Industrial Storage for \$750,000 and Natgun Corporation for \$954,700.

City Manager Richards stated that the storage facility from Municipal and Industrial Storage was made from steel and ceramic materials. The construction would take approximately eight weeks. The storage facility from Natgun Corporation would be constructed of concrete and steel. The construction would take approximately ten weeks to construct. The wall thickness is greater and would not require heating in the winter months. Further, the Natgun Corporation proposed storage unit has a life of approximately eighty years, while the Municipal and Industrial Storage proposed storage unit has a life of approximately forty years.

City Manager Richards also stated that there was a delay in the construction of a storage unit in West Traverse Township by Municipal and Industrial Storage. The unit was to be constructed in the fall, but due to scheduling conflicts the construction did not occur until the following spring. For these reasons Benchmark Engineering, Inc. recommended the Natgun Corporation storage unit that was proposed. City Manager Richards stated that he recommended following the Benchmark Engineering, Inc. recommendation.

Council members discussed the two proposals. Further, the issue of committing to a purchase of a reservoir before having the funding in order was questioned. City Manager Richards stated that he believed that to meet the proposed time schedule for the proposed improvements meant that the City needed to proceed. Further, it was Manager Richards' opinion that the City was very marketable for selling a bond issue.

After further Council discussion on this issue, the following motion was offered:

#7580 – Motion by Pfeifer, second by Heinz, to approve the purchase of the Natgun Corporation proposed storage unit at a cost of \$954,700; and to authorize the City Manager to execute the construction/purchase agreement with Natgun Corporation.

Ayes - Dika, Heinz, Kors and Pfeifer
Nays - None
Absent - Hegedus

5. City Manager's Reports

A. Water System

City Manager Richards stated that staff has spent considerable time researching funding options for the water system proposed improvements. He suggested that the City may not be able to benefit from any stimulus monies until 2011. In the near term he felt that the City's most viable funding option will be to sell bonds on the open market.

B. Electric - MPPA

City Manager Richards stated that Harbor Springs, Petoskey and Charlevoix have initiated a service committee at MPPA to develop a standardized interconnection and net metering policy that can be applied at any of the municipal cities where customers desire to connect their wind or solar energy system to the distribution system.

City Manager Richards also stated that Harbor Springs has joined with other MPPA cities to send a letter of support to state regulators who are considering the approval and permitting of a new Consumers Energy base load generation plant to be built in the Bay City area. Consumers Energy indicates they have up to 100 mega watts of capacity in the proposed plant that could be available to MPPA cities.

C. District Library

City Manager Richards stated that he and School Superintendent Tompkins met with the Harbor Springs District Library Committee for a briefing report on the investigation of potential locations for a library in or around the city and on possible funding and organizational structure issues.

City Manager Richards stated that he would keep Council informed of any additional developments.

D. Pennsylvania Street Improvements

City Manager Richards stated that most of the water and sewer improvements have been completed and the curbs have been installed where necessary. Road restoration and paving should occur with the next week or two.

6. Boards and Commissions

A. Planning Commission (PC)

Council reviewed the PC meeting minutes from their May 21, 2009 meeting. Mayor Dika stated that the next PC meeting is scheduled for 6:00 p.m., Thursday, June 18, 2009 in the City Council Chambers.

B. Zoning Board of Appeals (ZBA)

Mayor Dika announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, June 10, 2009 in the City Council Chambers.

C. Harbor Commission (HC)

Mayor Dika announced that the next HC meeting is scheduled for 4:00 p.m., Wednesday, June 17, 2009 in the City Council Chambers.

D. Next Council Meeting

Mayor Dika announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, June 15, 2009 in the City Council Chambers.

7. Old and New Business

A. Andrews House

Councilperson Heinz stated that the Andrews house would have been torn down by now, but the Michigan Consolidated Gas would not disconnect the gas meter. City Manager Richards will contact Michigan Consolidated Gas or DTE.

B. District Library Planning Committee

Councilperson Pfeifer stated that the District Library Planning Committee is continuing to meet. They are still working on issues.

C. Benches by the Pier Restaurant

Councilperson Kors asked who owned the benches near the Pier Restaurant. City Manager Richards stated that he would check on this issue.

D. Letter on the Census

Mayor Dika stated that he received a letter from the Northwest Michigan Council of Governments on the 2010 Census. The Northwest Michigan Council of Governments is attempting to get cities prepared for the 2010 census by encouraging them to participate in the "Complete Count Committee" Program and the "Local Update of Census Addresses" Program. He will forward this letter to Councilperson Hegedus.

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 7:21 p.m.

Ronald B. McRae, City Clerk

Approved: June 15, 2009

Alan J. Dika, Mayor

City Council Meeting Minutes
June 1, 2009
Attachments