

**Harbor Springs City Council Minutes  
July 16, 2007**

Mayor Jardine called the fifteenth 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, and City Clerk Ron McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following corrections and additions were noted:

- a. On page 3, Item 4.B., first paragraph, third sentence reads, "...in favor of the proposed improvements and work out a lease..." It should read, "...in favor of the proposed improvements and will work out a lease..."
- b. On page 3, Item 4.B., second paragraph, first sentence reads, "...if the parking would going to be altered?" It should read, "...if the parking was going to be altered?"
- c. On page 5, Item 6, insert a second paragraph after the first paragraph. The new paragraph should read, "Councilperson Grogan suggested that copies of Chapters 8 and 9 be given to each committee member. Further, the full report would be available to those requesting the same."

#7333 – Motion by Kors, second by Grogan, to approve the July 2, 2007 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:

#7390 – A/P	HS Excavating	\$ 106,052.94 Local Sts Fund
#7391 – Payroll	P.P.E. 07/08/07	\$ 47,670.38 General Fund 595.77 Major Sts Fund 229.89 Local Sts Fund 422.40 Historical Fund 11,132.15 Electric Fund 4,970.77 W & S Fund 9,029.76 Waterfront Fd 437.31 Equipment Fd
#7392 – A/P	Payouts 07/01- 07/13/07	\$ 392,813.75 Trust Fund
#7393 – A/P	Council 07/16/07	\$ 44,606.86 General Fund 17.21 Police Res Fd 140.41 Historical Fund 62,146.35 Electric Fund 29,106.99 W & S Fund 7,845.20 W.T. Water Fd 3,536.30 Waterfront Fd

		1,546.37 Equipment Fd
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City Council Meeting Minutes  
 July 16, 2007  
 Page 2

#7394 – A/P	Sales Tax June 2007	\$ 4,211.89 General Fund 13,422.16 Electric Fund
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#7334 – Motion by Grogan, second by Wiggins, to approve the bills in the amount of \$739,934.86.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7390, 7391, 7392, 7393 and #7394, checked by the Finance Committee, in the amount of \$739,934.86 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	\$ 96,489.13
Major Streets Fund	595.77
Local Streets Fund	106,282.83
Police Reserve	17.21
Historical Fund	562.81
B. A. Construction Fund	0.00
Electric Fund	86,700.66
Water & Sewer Fund	34,077.76
West Traverse Fund	7,845.20
Waterfront Fund	12,566.06
Equipment Fund	1,983.68
Trust Fund	392,813.00
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Total	\$ 739,934.86
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3. Citizen Comments

A. Tree Removal at the Old City Hall

Councilperson Grogan removed himself from his seat as Councilperson and addressed the remaining members of Council. Grogan stated that he chairs the Construction Committee for the Harbor Springs Area Historical Society (HSAHS). Grogan further stated that the HSAHS has let its contract to begin construction on the Old City Hall to build the Museum. One of the things that has to be repaired is the foundation. Grogan explained that a four feet wide trench has to be dug along the foundation to repair the foundation and to seal it. The tree planted in front of the Old City Hall is approximately ten feet from the building. Many of its roots will be cut. The tree may be permanently damaged. The tree will be in the way of the foundation repairs. It needs to be removed.

Grogan further explained that the tree will not be replaced until sometime in 2008. The landscape consultant, Sheridan Jones, will not have the design completed until late in the fall of 2007. Construction is scheduled to begin in a couple of weeks. Council approval is still necessary to remove the tree.

Council discussed their concerns with Grogan. After the discussion the following motion was offered:

#7335 – Motion by Heinz, second by Kors, to authorize the Historical Society to remove the pine tree in front of the Old City Hall to make repairs to the foundation of the building, with the condition that the tree be replaced when the landscaping is done.

Ayes – 4  
Nays – 0  
Abstentions - 1 (Grogan)

B. Fourth of July Fireworks Display

Kathy Lott, Executive Director of the Harbor Springs Chamber of Commerce, apologized for the fireworks display and informed Council that the major donors were contacted concerning the fireworks display. Lott discussed the reasons why the fireworks could not be stopped. The vendor, Colonial Fireworks, has offered to compensate the Chamber by nearly doubling the length of the 2008 show.

Council thanked Lott for the update.

4. Presentation of the 2006 Audit

Jim Cusenza, CPA, Hill-Schroderus and Company, LLP, stated that the City received an Unqualified Opinion on our audit. Cusenza reviewed points of the City's operations in the major funds. He stated that the City was in good financial condition.

#7336 – Motion by Heinz, second by Grogan, to receive and file the 2006 Independent Annual Audit of the City's financial records.

Ayes - 5  
Nays - 0

5. Andrew J. Blackbird Museum Update

Joyce Shagonaby discussed the Andrew J. Blackbird Museum (the "Museum") needs and what is being accomplished. Shagonaby discussed the proposed exhibit area plans that were developed by the Good Design Group. The Good Design Group is the firm working with the HSAHS. She reviewed the proposed building changes concerning the exhibit area. The proposed changes are estimated to cost \$103,000. The proposed changes are going to be done with funds raised by the Museum Board and Staff.

Shagonaby stated that the Museum is reviewing the final proofs for reprinting the Quill Book. The book will have a hard cover.

Councilperson Grogan stated that the Good Design Group is an excellent firm that comes highly recommended.

City Manager Geuder stated that the totem pole is also nearing the end of its useful life and will need to be replaced some time in the future.

Mayor Jardine asked about the Longhouse Program. Shagonaby stated that the Longhouse Program is scheduled for every Tuesday evening through September 11, 2007, except for September 4, 2007. She also reviewed this week's program and invited Council to attend.

Shagonaby thanked Council for their continued support of the Andrew J. Blackbird Museum.

6. Request of the Chamber of Commerce Business Focus Group

City Manager Geuder stated that he discussed providing power for the proposed clock from Mr. Nethercut's building. The power would actually run through the basement of Mr. Nethercut's building from the alley behind the stores. The alley is the area that comes off East Third Street between the Post Office and the Bike Shop.

Manager Geuder stated that Peter Sears has raised about half of the money for the purchase of the clock. Sears would like the City to proceed with the purchase of the clock. If there is not enough funds to pay for the clock, Sears has personally guaranteed payment.

Manager Geuder stated that the Chamber of Commerce will do its own lease agreement with Mr. Nethercut. The City will not be involved. Lott stated that the Chamber of Commerce would be solely responsible for the care and maintenance of the property. Further, the Chamber will hold Mr. Nethercut "harmless" for any liability associated with the public or Chamber use of the property.

Lott stated that a hedge would be planted behind (north side) the benches between the parking lot and the property. The hedge will not exceed four and one-half feet in height. The hedge will be protected from winter damage caused by snow removal.

Councilperson Heinz asked if the proposed hedge would have an adverse effect on the view at the corner. Manager Geuder stated that he believed the hedge would be planted far enough to the east that the view would not be affected.

The electric installation was discussed. After the discussion, the following motion was offered:

#7337 – Motion by Wiggins, second by Kors, to authorize the City Manager to work out an agreement for electric to the property, where the clock would be placed and to purchase the clock with funds from the community collected by Mr. Sears, and to authorize installation of the electric service.

Ayes – 5

Nays – 0

7. Coastal Crawl

City Manager Geuder stated that he received a request from the Hammerhead Swim Club to have two hot tubs placed in Zorn Park from Friday through Sunday for the Coastal Crawl. The Coastal Crawl is an open water swimming race that has been put on every year the first Sunday in August for the last ten to fifteen years.

Tracy Maurer, Coach of the Hammerhead Swim Club, stated that the water in the Little Traverse Bay is pretty cool. The hot tubs are to get the swimmers warmed up after swimming their races. The races are a mile or three miles long. He requested that the City provide the power for the hot tubs. The hot tubs will be filled and plugged in on either Friday night or Saturday morning. The water needs to be heated for twenty-four hours before the race to get up to temperature. The hot tubs will have vinyl covers with key locks.

Councilperson Grogan questioned the need for liability coverage on the hot tubs. Maurer stated that the Swim Club has never had liability insurance on the event. City Attorney Ramer stated that Council could require that the Swim Club provide on-site security for the hot tubs. Someone from the Swim Club would have to be watching the hot tubs from the time they are filled until they are emptied.

Police Chief Branson stated that he did not believe that the hot tubs would need that kind of surveillance. He believed that the lifeguards can watch the hot tubs during the day and at night the police officer on duty could make spot checks. This could be done on a one year trial basis.

#7338 – Motion by Kors, second by Wiggins, to authorize the Hammerhead Swim Club to set up two hot tubs in Lower Zorn Park for use on Sunday morning, August 5, 2007 on a one year trial basis. The hot tubs shall have vinyl covers with key locks. The City Manager is authorized to work with the Hammerhead Swim Club to provide electricity for the hot tubs.

Ayes – 5  
Nays – 0

#### 8. East Bluff Underground Project

City Manager Geuder stated that the East Bluff Drive Electric Underground Project is on the agenda this evening at the direction of Council. Council needs to decide if they wish to financially participate in the proposed East Bluff Drive Underground Project.

Manager Geuder stated his one concern over this project is the setting of a precedence. Thus far everyone in the project area has agreed to the costs as presented. If Council were to change the project, Manager Geuder stated that he would have to go back to the property owners to see if they want to continue with the project with the increased costs.

Councilperson Heinz asked if there was a problem with the power lines as they are presently. Manager Geuder stated that there were no maintenance issues at the present time. Councilperson Heinz stated that he did not believe that the City should pick up any of the costs of this project. The residents of East Bluff Drive should pay for the entire project if they want the power lines buried. Councilperson Heinz pointed out that there are a lot of electric wires and lines at the corner of Traverse Street and West Third Street. If Council were to approve participation in this project, would they have to participate in all of the projects?

Councilperson Grogan stated that he agreed with Councilperson Heinz. Further, this project is being done for aesthetics. Councilperson Grogan has a problem with spending \$100,000 for aesthetics.

Councilperson Wiggins stated that Council needs to set a policy for this type of project. The City did participate in the engineering study to put the project together. Further, Councilperson Wiggins stated that Council just approved a rate change which increased the electric revenues.

Councilperson Kors stated she does see the power lines when she looks out her windows. Further, she thinks all of the power lines should be buried eventually. However, the cost is a large number. She agrees that the project should be borne by the residents of East Bluff Drive that want the power lines buried.

Mayor Jardine asked Lineman Mark Guisinger if it was easier to maintain the overhead power lines or the underground power lines. Guisinger responded that it was harder and more expensive to repair line breaks underground than above ground. Guisinger pointed out that most line breaks in an underground system are caused because someone dug up the lines doing underground construction. Councilperson Grogan stated that the power lines in his subdivision are underground. Further, with all of the construction in his neighborhood, contractors have hit the lines and interrupted power.

Council discussed how to divide the additional costs. After some discussion, the consensus of Council was to divide the total project costs by the foot. Manager Geuder said he would do that then inform the East Bluff Drive residents of Council's decision.

Councilperson Wiggins asked City Manager Geuder to develop a policy on these types of projects for Council to consider.

Mayor Jardine stated that the Council's consensus is that it is not fair to use the money that others have contributed to the Electric Fund for completion of this project.

#### 9. MERS Delegate

City Manager Geuder stated that the Municipal Employees' Retirement System (MERS) is holding its annual meeting in September. The City is entitled to name an "Officer Delegate" and the employees are entitled to name an "Employee Delegate". Manager Geuder stated that he recommends naming the City Clerk the Officer Delegate.

After a brief discussion, the following motion was offered:

#7339 – Motion by Grogan, second by Heinz, to approve the Ron McRae, City Clerk, to be the Officer Delegate at the MERS 2007 Annual Meeting.

Ayes – 5

Nays – 0

#### 10. Boards and Commissions

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

Mayor Jardine announced that the next regular PC meeting was scheduled for 6:00 p.m., Thursday, July 19, 2007.

##### B. Harbor Commission (HC)

Mayor Jardine announced that the next HC meeting was scheduled for 4:00 p.m. on Wednesday, July 18, 2007.

##### C. Next City Council Meeting

Mayor Jardine noted that the next regular City Council meeting is scheduled for 7:00 p.m., Monday, August 6, 2007 in the Harbor Springs City Council Chambers.

11. Old and New Business

A. Pine Street Project

Councilperson Heinz stated that the Pine Street Project looks good.

B. Water Fixture in the Waterfront Park

Councilperson Heinz stated that the well or water fixture on Bay Street on the waterfront looks better than he anticipated it to look.

12. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:21 pm.

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Ronald B. McRae, City Clerk

Approved: August 6, 2007

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Jean Jardine, Mayor

City Council Meeting Minutes  
July 16, 2007  
Attachments