

**Harbor Springs City Council
July 24, 2006**

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, Mick Heinz, Laura Kors, Jim Grogan, and Dennis Wiggins
 Absent: None
 Also Present: City Attorney James Ramer, City Manager Fred Geuder, City Police Chief Dan Branson, City Clerk Ron McRae, and City General Secretary Jennifer Kruzel.

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

One correction was noted on Page 4, Item 5C, which reads, "Meeting set for July 20, 2006, 5:30 p.m." It should read, "Meeting set for July 20, 2006, 6:00 p.m."

#7188 – Motion by Kors, second by Heinz, to approve the July 10, 2006 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:

#7302 – Payroll	P.P.E. 6/26/06	\$ 47,672.99 General Fund 307.04 Major Sts Fund 207.34 Local Sts Fund 422.40 Historical Fund 10,516.36 Electric Fund 5,855.13 W & S Fund 9,093.40 Waterfront Fd 218.45 Equipment Fd
#7303 – A/P Sales Tax	June 2006	\$ 6,172.56 General Fund 13,264.22 Electric Fund
#7304 – Trust	7/1/06 – 7/15/06	\$ 96,903.78 Trust Fund
#7305 – A/P	Council 7/24/06	\$ 48,936.27 General Fund 660.00 Major Sts Fund 2,299.00 Local Sts Fund 516.38 Historical Fund 23,813.01 Electric Fund 29,646.06 W & S Fund 6,519.47 W.T. Water Fd 961.83 Equipment Fd

#7189 – Motion by Wiggins, second by Kors, to approve the bills in the amount of \$303,985.69.

Ayes – 5
Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7302, #7303, #7304 and #7305, checked by the Finance Committee, in the amount of \$303,985.69 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	\$102,781.82
Major Streets Fund	967.04
Local Streets Fund	2,506.34
Police Reserve	.00
Historical Fund	938.78
B. A. Construction Fund	.00
Electric Fund	47,593.59
Water & Sewer Fund	35,501.19
West Traverse Fund	.00
Waterfront Fund	15,612.87
Equipment Fund	1,180.28
Trust Fund	96,903.78

Total	\$303,985.69
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3. Citizen Comments

Shirley Snyder, representing the Wequetonsing Landowners Association, noted that the Wequetonsing Land Owners Association would be meeting in the Council Chambers on July 31, 2006, and thanked Council for the use of the facility.

4. 2005 Audit Presentation

City Manager Geuder stated that Hill, Schroderus & Company, LLP, was at the Council meeting to present to Council their findings on the 2005 Audit. Jim Cusenza, Partner in Charge of the City of Harbor Springs Audit, introduced himself and gave a brief report on the City's financial condition.

Cusenza stated that the City received an "Unqualified Opinion" on its financial statements. Further, he was pleased that there were no major problems with the audit considering the City Clerk's injuries last summer and the retirement of the City's long time bookkeeper. He complimented the new bookkeeper, Patricia Vorce-Sutton, for her work.

Overall, the City's financial position is healthy and funds were spent according to the 2005 Budget, as approved by City Council. Councilperson Wiggins asked about looking at trends not shown in the Audit? Where would he find that? Cusenza stated that the purpose of the audit was to look at the operations and financial position of the City as of December 31, 2005.

City Manager Geuder stated that he planned to address the question of the City's financial trends at a later date.

#7190 – Motion by Heinz, second by Grogan, to receive and file the 2005 Audit, as prepared by Hill, Schroderus & Company, LLP.

Ayes – 5
Nays – 0

5. August 8, 2006 Primary Election

City Manager Geuder informed Council that the election workers have been selected to work the August 8, 2006 Primary Election. City Clerk McRae asked that Council approve the election workers as presented. However, one election worker has cancelled due to out of town family arriving. Another election worker will need to be found. With Council approval the list can be provided to the County Clerk. The County Clerk will provide a copy of the election worker list to the Republican Party and Democratic Party County Chairs.

#7191 – Motion by Grogan, second by Kors, to approve the election workers, as presented, to work the August 8, 2006 Primary Election and to submit said list to the County Clerk. The City Clerk is authorized to approve replacements, if needed.

Ayes – 5
Nays – 0

6. Lot Split at 346 West Third Street

City Manager Geuder stated Jack Melching owned the parcel at 346 West Third Street. Melching passed away leaving no will. Richard Schiller was appointed the executor of the estate because he was the largest creditor.

A lot split is being requested because the parcel consists of two platted lots. Most of the lots in that neighborhood are 52.8 feet wide platted lots. Further, by splitting this lot into two smaller lots, it is hoped that two homes would be built, rather than one large house. Manager Geuder noted that this may not be the case, but at least this way an effort has been made by the City to keep the two lots in character with the neighborhood. The Planning Commission recommends that City Council approve the lot split. Manager Geuder stated that Council could place the condition to have the buildings removed and the lot cleaned up prior to the paperwork being processed.

Council discussed this issue briefly. The following motion was offered:

#7192 – Motion by Kors, second by Grogan, to approve the lot split for 346 West Third Street as presented with the condition that the buildings are removed and the lot cleaned up prior to the split being recorded.

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

7. Boards and Commissions

A. Zoning Board of Appeals (ZBA)

Council reviewed the July 11, 2006 ZBA meeting minutes. The next ZBA meeting is scheduled for 5:30 p.m., Wednesday, August 9, 2006 in the City Council Chambers.

B. Harbor Commission (HC)

Council reviewed the July 19, 2006 HC meeting minutes. The next HC meeting is scheduled for 4:00 p.m., Wednesday, August 9, 2006 in the City Council Chambers.

C. Planning Commission (PC)

Council briefly reviewed the July 20, 2006 PC meeting minutes. Council members expressed a desire to review the minutes more closely at the August 7, 2006 City Council meeting. Manager Geuder pointed out that the PC decided to hold a special meeting at 3:00 p.m., Thursday, August 17, 2006 in the City Council Chambers to hold a public hearing on zoning code changes related to a hotel concept. The next PC meeting is scheduled for 6:00 p.m., Thursday, August 17, 2006 in the City Council Chambers.

D. Next City Council Meeting

Mayor Jardine noted that the next City Council meeting is scheduled for 7:00 p.m., Monday, August 7, 2006 in the City Council Chambers.

8. Old and New Business

A. Michigan Municipal League (MML) Convention

City Manager Geuder stated that the next MML Convention is scheduled for September 27 through 29, 2006 in Marquette. He believed one of the items on the agenda will be the ballot amendment requiring a vote of the people to raise various municipal rates, such as millages, utility rates and charges for other services.

B. 2007 Budget Format

Councilperson Wiggins suggested that the City Staff look at the format of the 2007 Budget and perhaps show the trends of the City revenues versus expenses over a longer period of time. City Manager Geuder stated that he was looking at that issue with the City Clerk. Manager Geuder would like to review this issue with our auditing firm for their input.

C. Center Street Sidewalk

Councilperson Heinz asked if the City Manager still planned to pursue constructing a sidewalk on Center Street from East Lake Street south to Pine Street. Manager Geuder stated that he did. Benchmark is working on this project currently. Manager Geuder would like to complete the plans and bid the project in late August. Construction would follow in the fall.

D. Memorial Plaques in Zorn Park

Councilperson Kors noted that after Mr. Schrader commented on the Zorn Park Memorial Plaques needing some attention, she was pleased to see the Electric Crew had fixed the lights. Manager Geuder stated that the plaques need more work.

E. Water Problem

Councilperson Kors stated that she would like to have the City do all in its power to prevent another “drinking water emergency”. Manager Geuder stated that he and Superintendent Ward will meet with a state official to see what, if anything, can be done.

F. Benches

Councilperson Wiggins stated that he believes the new benches look good and sees that they are being used. However, there are still some old ones near newly installed benches. Manager Geuder stated that he would look into this issue.

8. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 7:47 pm.

Ronald R. McRae, City Clerk

Approved: August 7, 2006.

Jean Jardine, Mayor

City Council Meeting Minutes
July 24, 2006
Attachments