

**Harbor Springs City Council Minutes
October 1, 2007**

Mayor Jardine called the nineteenth 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, James C. Grogan, Michael K. Heinz, Laura Kors and Dennis Wiggins

Absent: None

Also Present: City Attorney James T. Ramer, City Manager Frederick W. Geuder, Police Chief Daniel J. Branson and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

It was noted that on Page 3, Item 5, second paragraph, second sentence was unclear. It reads, "...will charge the residents of the non-participating local unit \$85 per year for a library card." It should read, "...will charge the card-holding residents of the non-participating local unit \$85 per library card issued per year."

#7353 – Motion by Kors, second by Wiggins, to approve the September 17, 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:

#7409 – Payroll	P.P.E. 09/16/07	\$ 29,497.62 General Fund 969.56 Major St. Fund 289.63 Local St. Fund 422.40 Historical Fund 11,671.87 Electric Fund 5,602.74 W & S Fund 3,189.81 Waterfront Fd 1,342.41 Equipment Fd
#7410 – A/P	Sales Taxes and State Withholding 09/19/07	\$ 16,470.05 General Fund 11,671.87 Electric Fund
#7411 – A/PI	Council 10/01/07	\$ 14,255.69 General Fund 67.38 Major St. Fund 923.37 Local St. Fund 122.61 Historical Fund 204,033.60 Electric Fund 16,947.40 W & S Fund 13,230.49 Waterfront Fd 3,071.77 Equipment Fd

#7354 – Motion by Heinz, second by Grogan, to approve the bills in the amount of \$340,329.28.

Ayes – 5
Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7409, 7410, and #7411, checked by the Finance Committee, in the amount of \$340,329.28 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	\$ 60,223.36
Major Streets Fund	1,036.94
Local Streets Fund	1,213.00
Police Reserve	0.00
Historical Fund	545.01
B. A. Construction Fund	0.00
Electric Fund	233,926.35
Water & Sewer Fund	22,550.14
West Traverse Fund	0.00
Waterfront Fund	16,420.30
Equipment Fund	4,414.18
Trust Fund	0.00

Total	\$ 340,329.28
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3. Citizen Comments

None

4. Proposed Tree Replacement at the Old City Hall

City Manager Geuder stated that Tanya Graham, President of the Harbor Springs Area Historical Society (HSAHS), was present to present and review a conceptual drawing of the proposed tree replacement at the Old City Hall. Graham had the conceptual drawing prepared by Sheridan Jones to replace the tree at the Old City Hall that had been removed because of construction.

Council reviewed the conceptual drawing. All Council members thought the tree replacement concept, as presented, was good. However, the question came up as to the location of a sewer line, which was believed to be very near or under the proposed tree replacement location. The HSAHS will contact Superintendent Rick Ward for the exact location of the sewer line, before planting takes place.

5. Policy for Burying Utility Lines

City Manager Geuder stated that the request to have the electric lines buried on East Bluff Drive raised some issues that Council members should address within a policy. He has prepared a draft of "Policy for Burying Utility Lines" for Council consideration.

Manager Geuder reviewed the draft with Council. According to Manager Geuder, the part of the policy which needs Council direction is the financing of a proposed project. Does City Council wish to have the costs of the project paid upfront by the affected property owners, or does Council want to set up a financing vehicle, such as a special assessment, and have the property owners repay the City?

Councilperson Wiggins stated that as long as the City received market rates for the use of its money and had sufficient cash reserves, he had no problem with the City paying for the project and special assessing the property owners. Burying utility lines is not a necessary thing to do in most areas, but it may be a beautification project for the City.

Councilperson Grogan stated that he believes that residents and property owners that want a project of this type should pay for their shares upfront. If the City overcharges them, after the project is complete, the over paid monies can be returned. Further, the City Staff are not professional money men. They do not have that expertise. The rest of the policy appears ok.

Councilperson Heinz stated that he tended to agree with Councilperson Grogan. He did question if special assessments were a risk. City Attorney Ramer stated that special assessments are used in many municipalities. They are billed to the property owner on their property tax bills once a year, plus an annual interest charge. Special assessments do carry a risk, but a small one.

Councilperson Kors asked what other City's do. Manager Geuder stated that he could try to obtain that information.

Councilperson Heinz stated that he would like to have this issue tabled for a month to determine what other Cities do and to give Council members more time to consider this issue.

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

#7355 – Motion by Heinz, second by Grogan, to table consideration of the "Policy for Burying Utility Lines".

Ayes – 5
Nays – 0

6. Ice Rink and Sled Hill Programs

City Manager Geuder stated that he received resignation letters from Gina Marchio and Mark Lutz, the two individuals who have run the Skate Park, Ice Rink and Sled Hill Programs for the last several years. Their resignations are effective October 31, 2007.

Manager Geuder stated that he would advertise to hire someone to run the programs. He would also have to hire some employees to assist in the running of the programs.

Manager Geuder stated that he was looking at changing the hours that the programs are running to operate less expensively. Manager Geuder stated that he is not ready to make any recommendations as yet.

7. Marina Seasonal Rates

City Manager Geuder stated that at the last Harbor Commission (HC) meeting it was suggested that City Council have some dialog with the HC on the rate-setting philosophy before making a seasonal rate recommendation for the 2008 season.

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Manager Geuder reviewed his memorandum regarding seasonal rates with Council.

Councilperson Wiggins asked what the goal of the seasonal rates at the Marina was. Should the Marina be operated on a business basis? To him this was not clear.

Councilperson Heinz questioned if the seasonal rates should be set to make a profit. Should the City continue to look at the rates as a way to make the dockage and moorage rates more favorable to City residents and property owners? Should the City set the rates at a level that the market will bear?

Councilperson Kors suggested that perhaps the HC should recommend the rate philosophy to Council. She questioned if the HC should recommend what the seasonal rates of the Marina should be.

Councilperson Grogan stated that perhaps the HC could be angry because Council had not followed the HC's seasonal rate recommendations the last couple of years.

Manager Geuder stated that this issue could be addressed more during the budget process. No other action was taken on this issue.

8. Harbor Heroes

City Manager Geuder reminded Council that he needed to know if any Council members were planning to go to the Harbor Heroes dinner. He needs to purchase the tickets from the Chamber of Commerce.

9. Special Meeting on the Electric System

City Manager Geuder stated that he would like to schedule a special meeting to review the electric system issues. Manager Geuder suggested a special meeting for Monday evening, October 22, 2007.

There were no Council objections to the October 22, 2007 date.

10. Board and Commissions

A. Harbor Commission (HC)

Council reviewed the HC minutes from the September 26, 2007 HC meeting. Mayor Jardine announced that the next HC meeting is scheduled for 4:00 p.m., Wednesday, October 17, 2007 in the City Council Chambers.

B. Planning Commission (PC)

Council reviewed the September 20, 2007 PC meeting minutes. Manager Geuder reviewed the request of an easement from the potential purchaser of the Depot. Mayor Jardine announced that the next PC meeting is scheduled for 6:00 p.m., Thursday, October 18, 2007 in the City Council Chambers.

The City Manager noted that the proposed Depot project has requested an easement in the City's parking lot, to which the City Manager was opposed. Council members

agreed, by consensus, that that there should be no easement granted in the Depot parking lot.

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C. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, October 10, 2007.

D. Next City Council Meeting

Mayor Jardine announced the next City Council meeting is scheduled for 7:00 p.m., Monday, October 15, 2007 in the City Council Chambers.

11. Old and New Business

None

12. Closed Session

#7356 – Motion by Wiggins, second by Kors, to go to closed session under Section 8 (e) of Public Act 267 of 1976 (the “Open Meetings Act”), as amended, to consult with the City Attorney in connection with the “Woods vs the City of Harbors” law suit.

Ayes – Jardine, Grogan, Heinz, Kors and Wiggins

Nays – None

Mayor Jardine recessed from “Open Session” to go to “Closed Session” at 8:12 p.m.

Mayor Jardine called the meeting back to order under “Open Session” at 8:21 p.m. No further actions were taken.

13. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:22 pm.

Approved: October 15, 2007

Ronald B. McRae, City Clerk

Jean Jardine, Mayor