

**Harbor Springs City Council Minutes
November 3, 2008**

Mayor Jardine called the twenty-third 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, Alan Hegedus, Michael Heinz, Laura Kors and Pringle Pfeifer

Absent: None

Also Present: City Attorney James T. Ramer, City Manager Frederick W. Geuder and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following changes and corrections were noted:

Page 3, Item 4, first paragraph, first sentence reads, "...and is not..." It should read, "...and he is not..."

Page 3, Item 6, second paragraph, second sentence reads, "...south from a alley..." It should read, "...south from an alley..."

Page 3, Item 6, third paragraph, first sentence reads, "...issue with Council." It should read, "...issue with Chief Branson."

Page 4, Item 7, first paragraph, first sentence reads, "...that the economic situation..." It should read, "...that with the economic situation..."

Page 4, Item 8, the third sentence of the motion reads, "The All day poll worker..." It should read, "The all day poll worker..."

Page 5, Item 9, fourth paragraph reads, "...a Batchelor's Degree..." It should read, "...a Bachelor's Degree..."

#7501 – Motion by Hegedus, second by Pfeifer, to approve the October 20, 2008 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:

Voucher Number	Description	Fund Name	Amount
7503	Trust Payouts 10/1/08 Through 10/15/08	Trust Fund	\$80,220.68

7504	Payroll Ending 10/12/08	General Fund	\$30,132.51
		Major St. Fund	0.00
		Local St. Fund	28.53
		Historical Fund	432.80
		Electric Fund	10,657.82
		Water & Sewer Fund	4,967.24
		Waterfront Fund	2,912.89
		Equipment Fund	578.68
7505	Accounts Payable - Council 11/03/08	General Fund	\$15,862.04
		Major Street Fund	2,385.38
		Local Street Fund	1,449.27
		Police Reserve Fund	0.00
		Historical Fund	42.87
		Electric Fund	171,453.61
		Water & Sewer Fund	4,389.51
		West Traverse Water	6,332.92
		Waterfront Fund	562.71
		Equipment Fund	1,073.21

#7502 – Motion by Pfeifer, second by Hegedus, to approve the bills in the amount of \$333,482.67.

Ayes – 5
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7503, 7504, and 7505 checked by the Finance Committee, in the amount of \$333,482.67 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	\$45,994.55
Major Streets Fund	2,385.38
Local Streets Fund	1,477.80
Police Reserve	0.00
Historical Fund	475.67
Electric Fund	182,111.43
Water & Sewer Fund	9,356.75
West Traverse Water Fund	6,332.92
Waterfront Fund	3,475.60
Equipment Fund	1,651.89
Trust Fund	80,220.68

Total	\$333,482.67
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3. Citizen Comments

None

4. Sk-8 Park Review and Proposed Ice Rink and Sled Hill Contract

City Manager Geuder reviewed the Sk-8 Park operations from this last summer. He stated that H.A.R.E. paid all of the costs that they were supposed to pay. Further, so did the City. Manager Geuder believed that everything went well.

Manager Geuder stated that he would like to work with H.A.R.E. for the operation of the Ice Rink and Sled Hill this winter. Manager Geuder stated that he believed that H.A.R.E. would do a great job of running the two programs. Sandy Baker, President of H.A.R.E., Inc., stated that Gina Marchio has returned to the area. Marchio has always run a good program and believes that she will continue to do so.

Council discussed the terms of the proposed contract to operate the Ice Rink and Sled Hill. They also discussed H.A.R.E. looking for contributions from the area Townships to operate the Ice Rink and Sled Hill programs. Baker stated that this is the first step towards a long term goal of the establishment of a Recreational Authority. After the discussion, the following motion was offered:

#7503 – Motion by Kors, second by Heinz, to approve the proposed Agreement between H.A.R.E., Inc. and the City of Harbor Springs to operate the Sled Hill and Ice Rink for the 2008 – 2009 winter-season, based on the Guidelines of the Ice Rink and Sledding Hill Operating Agreement between H.A.R.E. and the City; further, to authorize the City Manager to execute said agreement.

Ayes – Hegedus, Heinz, Kors, Pfeifer and Jardine
Nays – None

5. Review Revised Plan for Covering Health Insurance for Spouses Under Certain Conditions

City Manager Geuder stated that this issue came about due to Medicare Secondary Payer Laws. Manager Geuder discussed the effect of the Medicare Secondary Payment Laws on active employees healthcare benefits and their disabled spouses. Manager Geuder stressed that this issue is very complicated. Manager Geuder stated that the Medicare Secondary Payer Law issue concerning an active employee and his spouse, Ron and Nancy McRae, has come about due to the fact that McRae is an active employee, but whose wife is disabled and receiving Supplemental Social Security Income (SSI).

The City's Blue Cross Blue Shield representative, Bryan Burley, reviewed the causes that created this issue and addressed Council members' questions and concerns. Burley stated that the McRae's do have insurance coverage, however, the benefits from the Medicare insurance coverage being primary are not the same healthcare benefits if the City's healthcare insurance is primary. Burley then gave examples of the benefit differences between Medicare being primary as opposed to the City's healthcare plan being primary.

Burley then stated that there are other healthcare plans that provide better benefits for individuals with Medicare being the primary healthcare provider than the benefits provided through the City's healthcare plan. Manager Geuder stated that the proposed policy change would provide better benefits to the active employee's spouse than the City's current healthcare plan. Manager Geuder also stated that the proposed policy change would not increase the costs to the City. The proposed policy change may reduce the City's cost of healthcare insurance.

Manager Geuder also stated that this healthcare policy change would benefit current retirees when they and or their spouses reach age 65 or have to get on SSI due to a disability and become eligible for Medicare.

Council discussed this issue with Manager Geuder and Burley. Due to the complexity of this issue, it was a consensus that they would like to table consideration of this issue

to allow more time to study the proposal. After the discussion, the following motion was offered:

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#7504 – Motion by Jardine, second by Pfeifer, to table consideration of the proposed healthcare policy change until at least the next City Council meeting.

Ayes – 5

Nays – 0

6. Consideration of an Identity Theft Prevention Program

City Manager Geuder stated that the proposed Identity Theft Prevention Program (the “Program”) is being required for municipalities and utilities to adopt and put into effect. The purpose of the Program is to establish what information may be given upon request. Manager Geuder stated that the proposed Program was created by another organization and that the City Staff changed the wording to fit the City of Harbor Springs.

Manager Geuder and City Clerk McRae addressed Council members’ questions and concerns. After the discussion, the following motion was offered:

#7505 – Motion by Pfeifer, second by Hegedus, to approve the proposed “Identity Theft Prevention Program”; to approve said Program changing the last paragraph on page 7 to replace “...as defined in Minnesota Statutes Section 13.37...” with the appropriate State of Michigan statute, as provided by the City Attorney.

Ayes – 5

Nays – 0

7. Zoning to Address “Papers in Store Windows”

City Manager Geuder stated that City Attorney Ramer researched the City’s Zoning Code and found that the City’s Zoning Code addresses only the regulation of exterior boarding, not papers on the windows from the interior. Manager Geuder stated that he believes that the City should ask the Chamber of Commerce to have their individual members work with such owners to see if something could be done to stop or curtail the hanging of papers in a business window. Manager Geuder stated that he believes that the City should not try to regulate what’s inside the store windows.

Council concurred with the City Manager’s recommendation.

8. Boards and Commissions

A. Planning Commission (PC)

Mayor Jardine announced that the next regularly scheduled PC meeting is scheduled for 6:00 p.m., Thursday, November 20, 2008.

B. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the next ZBA meeting scheduled for 5:30 p.m., Wednesday, November 12, 2008 is cancelled. The next ZBA meeting is scheduled for 5:30 p.m., Wednesday, December 10, 2008.

C. Next City Council Meeting

Mayor Jardine announced the next City Council meeting is scheduled for 7:00 p.m., Monday, November 17, 2008 in the City Council Chambers.

9. Old and New Business

A. Dog Clean Up Issues

Councilperson Hegedus questioned the City's ordinances and policies about cleaning up after dogs. City Manager Geuder addressed Councilperson Hegedus' concerns.

B. Proclamation for the Accomplishments of the Cross Country Girls' and Boys' Teams

City Manager Geuder stated that he had prepared Proclamations recognizing the Harbor Springs High School Cross Country Girls' Team for winning the Division IV State Championship and the Boys' Team for placing 3rd. Further, the Proclamation recognizes Tecumseh Adams for winning the individual Division IV State Championship.

#7506 – Motion by Pfeifer, second by Heinz, to approve the Proclamation Honoring the Harbor Springs High School 2008 Girls' and Boys' Cross Country Teams for their accomplishments.

Ayes – 5
Nays – 0

C. Mayor's Recognition

Mayor Pro-Tem Kors presented Mayor Jardine a plaque recognizing her for her years of service to the City. Mayor Jardine has served on Council for twenty-two years as Mayor or Council Member.

10. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:38 p.m.

Ronald B. McRae, City Clerk

Approved: November 17, 2008

Alan J. Dika, Mayor

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Attachments