

**Harbor Springs City Council Minutes
November 5, 2007**

Mayor Jardine called the twenty-second 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 and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#7365 – Motion by Grogan, second by Heinz, to approve the October 15, 2007 regular City Council meeting minutes as read.

Ayes – 5
Nays – 0

#7366 – Motion by Wiggins, second by Grogan, to approve the October 22, 2007 special City Council meeting minutes as read.

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
7416	Payroll Ending 10/14/07	General Fund	\$27,566.76
		Major St. Fund	488.33
		Local St. Fund	418.79
		Historical Fund	422.40
		Electric Fund	10,433.60
		Water & Sewer Fund	5,371.04
		Waterfront Fund	4,545.68
		Equipment Fund	1,334.52
7417	Trust Payouts 10/1 – 10/15/07	Trust Fund	\$40,507.58

7418	Accounts Payable No Council 10/29/07	General Fund Major Street Fund Local Street Fund Historical Fund Electric Fund Water & Sewer Fund West Traverse Water Fund Waterfront Fund Equipment Fund	\$ 8,415.76 5,919.33 2,169.63 27.25 1,812.81 1,767.25 11,910.96 142.31 5,672.52
7419	Payroll Ending 10/28/07	General Fund Major St. Fund Local St. Fund Historical Fund Electric Fund Water & Sewer Fund Waterfront Fund Equipment Fund	\$33,872.78 104.96 53.98 422.40 10,725.81 4,585.52 3,335.48 5,672.52
7420	Accounts Payable Council 11/05/07	General Fund Historical Fund Electric Fund Water & Sewer Fund Waterfront Fund Equipment Fund	\$41,729.28 41.00 175,163.91 5,138.86 902.15 5,672.52

#7367 – Motion by Grogan, second by Heinz, to approve the bills in the amount of \$406,650.44.

Ayes – 5
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7416, #7417, #7418, #7419 and #7420, checked by the Finance Committee, in the amount of \$406,650.44 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	\$111,584.58
Major Streets Fund	6,512.62
Local Streets Fund	2,642.40
Police Reserve	0.00
Historical Fund	913.05
B. A. Construction Fund	0.00
Electric Fund	198,136.13
Water & Sewer Fund	16,862.67
West Traverse Water Fund	11,910.96
Waterfront Fund	8,925.62
Equipment Fund	8,654.83
Trust Fund	40,507.58

Total	\$ 406,650.44
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3. Citizen Comments

Mark Rondel, 598 East Main Street, asked about the inclusion of Bear Creek Township as part of the Harbor Springs Area Sewage Disposal Authority. Rondel questioned what happens down the road when more capacity is needed at the Wastewater Treatment Plant. City Manager Geuder answered Rondel's question.

4. Consideration of the Coastal Crawl Events for 2008 and 2009

City Manager Geuder briefly discussed the Coastal Crawl, which is an event consisting of three open water races. He then introduced John Cowing and Marilyn Early, the coordinators of the event. The Coastal Crawl is an annual event for the Hammer Head Swim Club and is also a sanctioned open water race by the United States Master Swimming Organization. The Coastal Crawl is held every year on the first Sunday in August. The races start and end at the Zorn Park Beach. The races held are 1, 2 and 3 mile races.

The Coastal Crawl committee submitted a bid to host the "2009 Open Water 10K Swimming National Championship". The bid has been accepted. Early stated that the Coastal Crawl committee would like to schedule the 10K Race on Saturday and hold the other races on Sunday. Further, the Coastal Crawl committee would like to schedule a trial run 10K race in 2008, on Saturday, August 2, 2008 to prepare for the 2009 Championship Race. The 10K Race would start at 7:00 a.m. and be cut off at noon. The usual Coastal Crawl races would be held on Sunday, August 3, 2007.

Cowing discussed the logistics for the race. He also requested approval be granted to park a motor home in a parking lot close to the race setup to keep watch over the equipment.

Council members questioned if the Coastal Crawl two-day event would conflict with the Regatta. They commented on the hot tubs and safety concerns were discussed. After the discussion, the following motion was offered:

#7368 – Motion by Heinz, second by Grogan, to approve the request for a two-day Coastal Crawl event in 2008 and in 2009, as requested by the Coastal Crawl committee. Further, that approval is granted to park a motor home in the parking area near the Coastal Crawl equipment for security purposes, with the City Manager approving the parking space.

Ayes – 5

Nays – 0

5. Underground Electric Policies

City Manager Geuder stated that he had obtained information concerning the assignment of costs for burying above ground utilities from four communities – three are similar to us in having an Electric Distribution System and one does not.

Manager Geuder stated that the cities of Grand Haven, Zeeland and Lowell all have their own Electric Systems. Generally, those cities follow the rule that if the City wants to bury the lines and they initiate the project, the City pays. However, if the customer initiates the project, the customer pays.

The City of Frankenmuth, the City that does not have its own electric system, finances projects with special assessments. When they did a streetscape project in the Main

Street area, the property owners' share for burying electric lines was 100%. The project was financed through the City with a 25-year special assessment bond.

The City's 25% share of the street project was funded through Special Assessment Bonds using tax increment financing. There were no General Fund monies used in this project.

Councilperson Grogan agreed that the City should not be financing these types of projects. Further, it was the consensus of Council that the Underground Electric Line Policy should follow the rule "if the City initiates the project the City should pay, and if the property owners initiate the project the property owners pay."

Manager Geuder stated that he would complete the Underground Electric Policies based on the consensus from this evening, and return the policy to the Council for final approval.

6. Planning Commission Recommendation Re: M-1 Zoning District Changes

City Manager Geuder stated that the proposed Ordinance No. 369 amends the rear and side yard setbacks for the M-1 Zoning District. The M-1 Zoning District is the area where the Irish Boat Shop and Walstrom Marine store the boats in the structures on East Fairview Street and Hoyt Street along the north city limits.

Manager Geuder reviewed the details of the required screening and set backs for both the rear and side yard. The Planning Commission recommended City Council approval of proposed Ordinance No. 369.

#7369 – Motion by Kors, second by Grogan, to approve Ordinance No. 369, which amends the rear and side yard setback requirements in the M-1 Zoning District.

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

7. Consideration of Harbor Commission Recommendations

A. Proposed 2008 Tiara Rendezvous

City Manager Geuder stated that Tiara Yachts and their Midwest Dealers host a rendezvous for their Great Lakes owners and they would like to hold their 2008 Rendezvous in Harbor Springs. The proposed dates were July 29 – 31, 2008, Tuesday through Thursday.

Manager Geuder stated that the Harbor Commission considered this issue. However, due to the Regatta, and the busy schedule for July, the Harbor Commission recommended that Tiara reschedule their event for August 12-14, 2008. Manager Geuder suggested that Council approve the Tiara Rendezvous on the condition that they hold their event August 12 – 14, 2008.

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

#7370 – Motion by Grogan, second by Kors, to approve the Tiara Rendezvous to be held in Harbor Springs on August 12 – 14, 2008.

Ayes – 5
Nays – 0

B. Reserved Space for the 2008 Regatta

City Manager Geuder stated the Harbor Commission received a request from the Little Traverse Yacht Club to reserve space for the Regatta Boats from July 25 – 27, 2008. The Harbor Commission does not recommend a discount, but they would consider a way to bundle all of the costs into one check.

Manager Geuder stated that the Department of Natural Resources needs to approve reserving space along the State Dock for the Little Traverse Yacht Club Regatta.

Council discussed this issue. Councilperson Wiggins stated that he has given considerable thought to the rafting issue. Councilperson Wiggins also voiced concerns over the City's image of being friendly towards those who visit our City.

Manager Geuder stated that the Harbor Commission believes that the reserving of slips is a big concession, therefore does not believe that they want to offer a discount. Councilperson Grogan stated that rafting is very common for sailboats. Further, he does not believe asking the Tiara Yacht Organization to reschedule their event is unfair due to a conflict of dates.

Manager Geuder recommended that Council approve the Little Traverse Yacht Club's request as recommended by the Harbor Commission.

#7371 – Motion by Wiggins, second by Grogan, to approve the Little Traverse Yacht Club request for reserved space for the 2008 Regatta for Thursday through Sunday (4 nights), including the West Dock wall space and the seven West Dock 60' slips, with the condition that the Michigan Department of Natural Resources also approves the reserved space, as recommended by the Harbor Commission.

Ayes – 5
Nays – 0

8. Consideration to Amend the City's Investment Policy

City Manager Geuder asked City Clerk McRae to explain the proposed amendment to the City's Investment Policy. City Clerk McRae stated that JP Morgan-Chase Bank has an investment pool that they believe will provide better earnings to the City's and the Fire Authority's portfolios. In order to invest in the JP Morgan-Chase Bank Investment Pool, Council needs to approve an amendment to the "Cash Management Goals and Objectives Policy" that names the type of investment pool to be utilized.

City Clerk McRae stated that the amendment is the naming of the Investment Pool in Section I on page 3 of the Policy.

#7372 – Motion by Heinz, second by Grogan, to approve the "Resolution to Amend the City's Cash Management Goals and Objectives (Investment) Policy", which will authorize the City to invest in the JP Morgan-Chase Bank Investment Pool organized under the Surplus Funds Investment Pool Act, Public Act No. 367 of 1982, as amended.

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

9. Harbor Springs Library Request

City Manager Geuder stated that the Harbor Springs Library would like the City to be apart of a committee to look into the creation of a District Library. They have requested all of the local units to appoint people to the committee.

Mayor Jardine asked if there was an indication how people felt about having a district library. Manager Geuder stated that the answer to that question would evolve over time. Mayor Jardine stated that she, Councilperson Kors and City Manager Geuder should be part of the committee to represent the City.

There were no Council objections to the appointments.

10. Ballot for Michigan Municipal League Liability and Property Pool Board Members

City Manager Geuder stated that the City has received a ballot for Directors to be elected to the Michigan Municipal League Liability and Property Pool Board of Directors.

After a brief discussion, the following motion was offered:

#7373 – Motion by Kors, second by Heinz, to cast the City's ballot for the candidates on the "Official Ballot – 2007" as recommended by the Michigan Municipal League's nominating committee.

Ayes – 5
Nays – 0

11. Board and Commissions

A. Harbor Commission (HC)

Council reviewed the October 17, 2007 HC meeting minutes. Mayor Jardine announced that the next HC meeting is scheduled for 4:00 p.m., Tuesday, November 13, 2007 in the City Council Chambers.

B. Planning Commission (PC)

Council reviewed the October 18, 2007 PC meeting minutes. Mayor Jardine announced that the next PC meeting is scheduled for 6:00 p.m., Thursday, December 20, 2007 in the City Council Chambers. There is no November meeting.

C. Zoning Board of Appeals (ZBA)

Mayor Jardine announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, December 12, 2007. There will be no meeting in November.

D. Next City Council Meeting

Mayor Jardine announced the next City Council meeting is scheduled for 7:00 p.m., Monday, November 19, 2007 in the City Council Chambers.

12. Old and New Business

A. Energy Conservation Light Bulbs

Council discussed the Lansing Board of Water and Light's decision to purchase energy conservation light bulbs for their customers. A similar practice was done by Detroit Edison years ago and they were sued for taking business away from the local hardware stores. It was suggested that perhaps the City could talk to our local vendors to supply the energy conservation light bulbs at a discounted cost.

B. Electric System Update

Mayor Jardine asked when Chuck Fricke was returning to review the proposed costs of enhancing the City's power supply to the Electric System. Manager Geuder stated that he and Dennis Ory may meet with Fricke next week to review the scenarios that should be considered.

Councilperson Grogan asked when the City would be meeting to consider purchasing capacity in one of the proposed power generating plants. Manager Geuder stated that the Michigan Public Power Agency (MPPA) would be discussing this issue at the next MPPA meeting. Manager Geuder stated that he may attend that meeting with Fricke.

C. Peak Load Report

Council members reviewed the non-coincident peak load report. Manager Geuder stated that the trend indicated by the report is a steady increase in the City's non-coincident peak load.

D. Election

Mayor Jardine wished all of the candidates running for re-election or election good luck in the General Election being held on Tuesday, November 6, 2007.

13. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 7:55 pm.

Approved: November 19, 2007

Ronald B. McRae, City Clerk

Jean Jardine, Mayor

City Council Meeting Minutes
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Attachments