

**Harbor Springs City Council Minutes  
November 6, 2006**

Mayor Pro-Tem Kors called the twenty first 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: Jim Grogan, Mick Heinz, Laura Kors and Dennis Wiggins

Absent: Jean Jardine

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

Mayor Pro-Tem asked to have the following sentence added to Item 12A, page 6, at the end of the paragraph:

“Councilperson Kors requested a template of the 2007 budget at the November 6, 2006 Council meeting for Council review.”

#7228 – Motion by Grogan, second by Heinz, to approve the October 16, 2006 regular City Council meeting minutes as amended.

Ayes – 4

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:

#7327 – Payroll	P.P.E. 10/15/06	\$ 28,078.11 General Fund 671.32 Major Sts Fund 260.59 Local Sts Fund 422.40 Historical Fund 11,031.95 Electric Fund 6,021.57 W & S Fund 3,933.16 Waterfront Fd 650.28 Equipment Fd
#7328 – A/P	Trust Payout	\$ 21,075.72 Trust Fund
#7329 – A/P	No Council 10/30/06	\$ 2,703.15 General Fund 336.00 Police Res Fd 92.48 Historical Fund 140.16 Electric Fund 133.98 W & S Fund 101.39 Waterfront Fd 144.27 Equipment Fd
#7330 – Payroll	P.P.E. 10/29/06	\$ 34,924.36 General Fund 118.14 Major Sts Fund 173.46 Local Sts Fund 422.40 Historical Fund 10,503.36 Electric Fund 5,143.39 W & S Fund 2,636.74 Waterfront Fd 405.37 Equipment Fd

#7331 – A/P	Trust Payout	\$ 3,828.62 Trust Fund
#7332 – A/P	Council 11/06/06	\$ 43,459.71 General Fund 1,247.33 Major Sts Fund 2,919.58 Local Sts Fund 525.89 Police Res Fd 95.53 Historical Fund 532.72 BA Const Fund 155,336.78 Electric Fund 26,896.23 W & S Fund 16,256.33 Waterfront Fd 3,580.63 Equipment Fd

#7229 – Motion by Grogan, second by Wiggins, to approve the bills in the amount of \$384,803.10.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7327, #7328, #7329, #7330, #7331, and #7332, checked by the Finance Committee, in the amount of \$384,803.10 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	\$109,165.33
Major Streets Fund	2,036.79
Local Streets Fund	3,353.63
Police Reserve	861.89
Historical Fund	1,032.81
B. A. Construction Fund	532.72
Electric Fund	177,012.25
Water & Sewer Fund	38,195.17
West Traverse Fund	.00
Waterfront Fund	22,927.62
Equipment Fund	4,780.55
Trust Fund	24,904.34
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Total	\$ 384,803.10
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3. Citizen Comments

None.

4. Lot Split at 373 Glenn Drive

City Manager Fred Geuder reviewed the Planning Commission's recommendation to deny this lot split due to the fact that there would only be a twenty-six foot wide easement to access the lot created in the split.

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

#7230 – Motion by Grogan, second by Heinz, to deny approval of the requested lot split at 373 Glenn Drive, as recommended by the Planning Commission.

Ayes - Grogan, Heinz, Kors and Wiggins  
Nays - None  
Absent - Jardine

#### 5. Harbor Commission Recommendations

##### A. Seasonal Dockage and Moorage Rates for 2007

City Manager Geuder stated that the Harbor Commission recommended a 6% increase in the 2007 Seasonal Dockage Rates and a 5% increase in the 2007 Seasonal Moorage Rates.

Councilpersons Grogan and Kors both disclosed the fact that they had moorings. They asked if that would require them to abstain from the discussion or voting on this issue. City Attorney Ramer stated that voting on this issue would not result in a major financial gain, and therefore, would be at the discretion of the other members of Council. Both Councilpersons Heinz and Wiggins believed that this is an issue in which Councilpersons Grogan and Kors should participate.

Councilperson Grogan asked if the proposed increases were necessary. City Manager Geuder stated that the Waterfront Fund had spent a considerable amount of cash the last few years in improvements. However, the City anticipates a year-end cash balance of approximately \$470,000. Councilperson Heinz stated that inflation is running three percent (3%) to three and one half percent (3.5%). He would prefer that the Seasonal Dockage and Moorage Rates be increased 3.5%.

Councilperson Wiggins stated that the proposed rate increase would generate approximately \$13,000. The suggested rate increase of 3.5% would probably increase revenues \$6,000 to \$7,000. Councilperson Heinz stated that he did not believe the Seasonal Dockage and Moorage Rates should ever be increased less than the inflationary rate.

#7231 – Motion by Heinz, second by Kors, to approve increasing the Seasonal Dockage and Mooring Rates for the 2007 boating season 3.5%.

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

After the approval of Motion No. 7231, Council discussed having a meeting with the Harbor Commission to review the basis for rate increases. For the 2006 boating season Council increased the Seasonal Dockage and Moorage Rates more than was recommended and for the 2007 boating season less than was recommended. Council members expressed an appreciation for the research that the Harbor Commission did in recommending the rates.

B. Waiting List Annual Fee

City Manager Geuder stated that a recommendation was made by the Harbor Commission to consider the implementation of an annual wait list fee. Currently the City has 239 people on the Dock Waiting List and 190 people on the three Mooring Waiting Lists. The City has a \$100 deposit for each of those on the Dock Waiting List and a \$35 deposit for each of those on the Mooring Waiting Lists.

Manager Geuder noted that the Dock Waiting List does not have much turnover. An individual could be on the Dock Waiting List seemingly forever. The Mooring Waiting Lists usually turn over in a ten to twenty year period. The City does not pay interest on the deposits. Further, if someone is given the opportunity to obtain a slip or a mooring and they turn it down, the deposit is forfeited. If a slip or mooring is accepted, the deposit is used toward the first year's fee. Sometimes the City cannot find an individual who comes to the top of the list. People don't leave forwarding addresses or new telephone numbers. Also, some people forget that they even have a deposit for a slip or mooring.

If the City were to charge an annual wait list fee, this may get people to respond. Some people may not want to write a check every year. Councilperson Wiggins thought the Harbor Commission liked the annual wait list fee because people would have to decide whether or not they wanted to stay on the list for a \$10 annual fee. The wait list people would be thinking about it.

Council members discussed the Wait List Annual Fee. After the discussion, the following motion was offered:

#7232 – Motion by Wiggins to charge an annual "Wait List Fee" of \$10.

Mayor Pro-Tem Kors declared the motion dead due to a lack of a "Second".

Councilperson Grogan stated that he could see charging a periodic wait list fee. He did not think that an annual fee was appropriate. He could understand charging one every five years or so. Council discussed this proposal. After the discussion, the following motion was offered:

#7233 – Motion by Grogan, second by Heinz, to charge a \$10 fee to update the Dock and Mooring Waiting Lists, on a one-time basis.

Ayes - Heinz, Kors, Wiggins and Grogan  
Nays - None  
Absent - Jardine

6. Budget Calendar and Budget Format

City Manager Geuder reviewed the proposed budget calendar to approve the 2007 Budget. Council concurred with the City Manager's recommendation.

Manager Geuder discussed the format for the 2007 Proposed Budget. He reviewed the templates that were distributed to Council. Councilperson Wiggins asked if a cash flow projection could be prepared on the total cash of the City without any transfers? Manager Geuder stated that he would have the City Clerk prepare the requested schedule, but probably without the small funds. Councilperson Wiggins concurred with Manager Geuder's suggestion.

7. Tails on the Town Request

City Manager Geuder stated that he received a request from Tails on the Town, which is located on the southwest corner of Main Street and State Street. They would like to use the City's Christmas Tree as a background for pictures of people with their pets. The pictures would be taken on Saturday, December 9<sup>th</sup> or 16<sup>th</sup>. Further, the "proceeds" would be donated to the Little Traverse Humane Society.

Councilperson Grogan asked what "proceeds" were? Manager Geuder was not sure. Manager Geuder stated that he would ask the Little Traverse Humane Society what amount the "proceeds" were that they received from the Tails on the Town.

Councilperson Wiggins stated that since Tails on the Town asked for this opportunity and that the "proceeds" were being donated to the Little Traverse Humane Society, Council should grant approval to do this event. Council members discussed this issue. It was a consensus that Manager Geuder grant approval for the Tails on the Town request.

8. Boards and Commissions

A. Zoning Board of Appeals (ZBA)

Council reviewed the November 8, 2006 ZBA meeting notice. Mayor Pro-Tem Kors announced the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, November 8, 2006 in the City Council Chambers.

B. Harbor Commission (HC)

Council reviewed the HC minutes from the October 25, 2006 meeting. Mayor Pro-Tem Kors announced the next HC meeting is to be determined.

C. Planning Commission (PC)

Council reviewed the October 19, 2006 PC meeting minutes. Mayor Pro-Tem Kors announced the next regular PC meeting is scheduled for 6:00 p.m., Thursday, November 16, 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, November 20, 2006 in the City Council Chambers.

9. Closed Session

Mayor Pro-Tem Kors asked if the City Manager wished to go to Closed Session for his annual employment review. Manager Geuder requested a closed session for his annual evaluation.

#7234 – Motion by Wiggins, second by Heinz, to go to Closed Session under Section 8(a) of Public Act No. 267 (the “Open Meetings Act”) of 1976, as amended, to consider a periodic personnel evaluation of the City Manager’s performance over the last year, at the City Manager’s request.

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

Mayor Pro-Tem Kors recessed the City Council meeting from Open Session to go to Closed Session at 8:18 p.m.

Mayor Pro-Tem Kors called the City Council meeting back to order in Open Session at 8:40 p.m.

#### 10. Consideration of the City Manager’s Contract Renewal

Councilperson Wiggins stated that he would prefer that the City Manager be given a 3% annual wage increase based on the Manager’s favorable performance and the increase planned for other employees. After Council discussed this issue the following motion was offered:

#7236 – Motion by Wiggins, second by Grogan, to approve the renewal of the City Manager’s Contract for 2007, with the amendment of Section 3, to state, “The City Manager’s annual salary as of January 1, 2007 shall be \$76,863”, which is a 3% increase.

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

#### 12. Old and New Business

##### A. 2007 Budget

Councilperson Wiggins asked how we budget the Utility Revenues if the rates aren’t approved in time? Manager Geuder stated that the revenues would be estimated based on when we anticipate new rates being approved.

##### B. Sidewalk Replacement on the Southeast Corner of State and Main Streets

Council members questioned who was paying for the sidewalk on the southeast corner of State and Main Streets? Manager Geuder stated that the building and or business owners are paying for the bulk of the costs. The City will participate in the actual sidewalk replacement costs.

13. Adjournment

With no further business, Mayor Pro-Tem adjourned the meeting at 8:45 pm.

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Ronald B. McRae, City Clerk

Approved: November 20, 2006.

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Laura Kors, Mayor Pro-Tem

City Council Meeting Minutes  
November 6, 2006  
Attachments