

**Harbor Springs City Council Minutes
November 17, 2008**

Mayor Dika called the 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: Al Dika, Alan Hegedus, Laura Kors and Pringle Pfeifer

Absent: Michael K. Heinz

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

The following changes and corrections were noted:

Page 2, Item 4, first paragraph, second and third sentences read, "...supposed to pay. Further so did the City." The two sentences should be combined to read, "...supposed to pay, as did the City."

Page 3, Item 4, first paragraph, fourth sentence reads, "Marchio has always run a good program and believes the she will continue to do so." It should read, "She has always run a good program and Baker believes that she will continue to do so."

#7507 – Motion by Pfeifer, second by Hegedus, to approve the November 3, 2008 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:

Voucher Number	Description	Fund Name	Amount
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7506	Accounts Payable - No Council 11/04/08	General Fund Local St. Fund Water & Sewer Fund	\$6,224.16 2,851.50 189.51
7507	Trust Payouts 10/16/08 Through 10/31/08	Trust Fund	\$29,758.19
7508	Payroll Ending 11/9/08	General Fund Major St. Fund Local St. Fund Historical Fund Electric Fund Water & Sewer Fund Waterfront Fund Equipment Fund	\$35,095.91 140.80 104.80 432.80 10,294.37 4,719.88 842.78 357.93

7509	Sales Taxes & State Withholding 10/31/08	General Fund Electric Fund	\$4,046.20 12,225.24
7510	Accounts Payable - Council 11/17/08	General Fund Major Street Fund Local Street Fund Police Reserve Fund Historical Fund Electric Fund Water & Sewer Fund West Traverse Water Waterfront Fund Equipment Fund	\$38,529.37 0.00 0.00 47.50 182.80 44,949.96 32,802.27 0.00 15,866.43 32,183.37

#7508 – Motion by Hegedus, second by Pfeifer, to approve the bills in the amount of \$271,809.77.

Ayes – 4
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7506, 7507, 7508, 7509 and 7510 checked by the Finance Committee, in the amount of \$271,809.77 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	\$83,895.64
Major Streets Fund	104.80
Local Streets Fund	2,956.30
Police Reserve	47.50
Historical Fund	615.60
Electric Fund	67,469.57
Water & Sewer Fund	37,711.66
West Traverse Water Fund	0.00
Waterfront Fund	16,709.21
Equipment Fund	32,541.30
Trust Fund	29,758.19

Total	\$271,809.77
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3. Citizen Comments

None

4. Resolution to Participate in the Harbor Springs Area District Library Committee

City Manager Geuder discussed the purpose of the Harbor Springs Area District Library Planning Committee (Library Planning Committee). The purpose of the Library Planning Committee is to determine how the proposed Harbor Springs Area District Library (District Library) would be structured, choose a potential site for the District Library and propose how the District Library would be funded. The proposed "Resolution to Participate in Planning towards Establishing the Harbor Springs Area District Library" (the Resolution) does not commit the City to participating in the District Library. Manager Geuder stated that he believes a Council member and a citizen at large should be appointed.

Council discussed the need to participate in the Library Planning Committee. Mayor Dika stated that he would like to appoint Pfeifer as the Council Representative to the Library Planning Committee and also Cynthia Rutherford, from the community at large. Mayor Dika explained that Rutherford uses libraries often. Mayor Dika also stated he trusts her judgment. Mayor Dika also acknowledged that Rutherford is his wife.

Councilperson Pfeifer suggested wording changes to the proposed Resolution. Manager Geuder stated that he would make the changes to the Resolution if adopted.

Barbara Young, 14 Woods Drive, stated that the Mayor's selection of his wife is not positive for the Library Planning Committee because Rutherford has publicly stated that she is not in favor of the proposed District Library. Mayor Dika suggested tabling the appointment of Rutherford until such time as he discussed the opinion expressed this evening.

#7509 – Motion by Kors, second by Hegedus, to approve the “Resolution to Participate in Planning towards Establishing the Harbor Springs Area District Library”, to approve the Mayoral appointment of Councilperson Pfeifer to the Library Planning Committee and to withhold the appointment of a second representative until a later date.

Ayes - Kors, Pfeifer, Dika and Hegedus
Nays - None
Absent - Heinz

5. 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 approved in 2006 that requires Medicare to be the primary payer with employers having less than 100 employees. 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).

Manager Geuder stated that he brought consideration of this issue back for Council to consider based upon their comments and their action at the November 3, 2008 City Council meeting. Manager Geuder stated that he changed the proposed policy so that reimbursements are prorated to the effective date of the change. Council members discussed this issue. The City's Blue Cross Blue Shield representative, Bryan Burley, addressed Council members' questions and concerns. City Manager Geuder stated that the proposed policy change would not cost the City any more than the City currently pays. Further, should the medical needs of the individual not require the maximum allowed reimbursements to be paid, the City would be reducing their hospitalization insurance costs.

#7510 – Motion by Hegedus, second by Kors, to approve the proposed language be added the Administrative Agreement, effective December 1, 2008, as follows:

“The City and an employee covered under the Administrative Agreement may mutually agree to have the City reimburse costs for benefits and / or reimburse premium costs for the employee's spouse, if the employee feels he / she are better served by such an arrangement, and if the City is not financially harmed by such an arrangement. Such an arrangement will be done on a monthly pro-rated basis effective with such date as coverage changes occur.

Ayes - Kors, Pfeifer, Dika and Hegedus
Nays - None
Absent - Heinz

6. Policy on Blight

City Manager Geuder stated that the property at 499 Ann Street, formerly owned by Gladys Andrews, is in need of cleanup. Further, the house has deteriorated to the point that it requires a significant amount of work and money to bring it back up to code. Manager Geuder stated that the City does have a blight ordinance, but not one that controls this scenario.

Manager Geuder stated that he believes that the City could work with the current owner, Richard Andrews. Manager Geuder stated that he proposes the City develop a policy that would allow the City to work with the property owner to clean up the blight.

Manager Geuder stated that the City could remove the house and remove the debris. The costs to do this would be placed on the property as a lien. If the property sold, the City would recover its money from the sale proceeds of the property. Should the property not sell, the City could then collect the costs on the tax roll.

Because the lot at 499 Ann Street is a non-conforming lot, Manager Geuder stated that the zoning ordinance does allow a similar house be built on the same footprint with the same height as the structure removed.

Council discussed this proposal with Manager Geuder and City Attorney Ramer. It was noted that this policy would be a more productive use of the City's funds by getting the blight cleaned up rather than paying legal fees to fight the blight.

Council members present concurred with Manager Geuder. Manager Geuder stated that he would work the City Attorney on this issue and bring a policy or proposal back to Council for consideration at a future meeting.

7. Budget Calendar

City Manager Geuder stated that he would like to have the Budget Calendar set. At the December 1, 2008 Council meeting the Proposed 2009 Budget would be introduced. At the December 8, 2008 Special City Council meeting, a workshop on the Proposed 2009 Budget would be held. At the December 15, 2008 City Council meeting Council would hold the public hearing on the Proposed 2009 Budget. On December 15th Council would approve the 2008 Budget Amendments and approve the 2009 Budget.

City Council concurred with the City Manager to follow the Proposed 2009 Budget Calendar, as presented by the Manager.

8. City Election Results

City Manager Geuder stated that the City Clerk reported the City General Election results as follows:

1. Seven hundred fifty-six (756) ballots were cast,
2. Of which four hundred eighty-three (483) votes were for Alan J. Dika for Mayor (running unopposed),
3. Of which four hundred thirty-two (432) votes were for Michael K. Heinz for Councilmember,
4. Of which two hundred ninety-eight (298) votes were for Alan Hegedus for Councilmember,
5. Of which two hundred six-three (263) votes were for Dennis Wiggins for Councilmember,

Dika was elected as Mayor, and Heinz and Hegedus were elected as Council members.

9. Boards and Commissions

A. Planning Commission (PC)

Mayor Dika 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 Dika announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, December 10, 2008.

C. Next City Council Meeting

Mayor Dika announced the next City Council meeting is scheduled for 7:00 p.m., Monday, December 1, 2008 in the City Council Chambers.

10. Old and New Business

None

11. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 8:00 p.m.

Ronald B. McRae, City Clerk

Approved: December 1, 2008

Alan J. Dika, Mayor

City Council Meeting Minutes
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Attachments