

**Harbor Springs City Council Minutes
December 18, 2006**

Mayor Jardine called the fourth 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, Jim Grogan, Michael Heinz, Laura Kors and Dennis Wiggins

Absent: None

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

#7246 – Motion by Kors, second by Wiggins, to approve the December 4, 2006 regular City Council meeting minutes as read.

Ayes – 5

Nays – 0

#7247 – Motion by Wiggins, second by Heinz, to approve the December 11, 2006 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:

#7341 – Payroll	PPE – 11/27-12/10/06	\$ 26,882.05 General Fund 3,305.53 Major Sts Fund 1,245.10 Local Sts Fund 422.40 Historical Fund 10,615.80 Electric Fund 4,986.36 W & S Fund 205.84 Waterfront Fd 1,856.28 Equipment Fd
#7342 – A/P	Sales Tax Nov '06	\$ 3,787.40 General Fund 11,360.42 Electric Fund
#7343 – A/P	Council 12/18/06	\$ 43,517.10 General Fund 1,264.69 Historical Fund 51,614.47 Electric Fund 25,831.30 W & S Fund 4,205.50 W.T. Fund 1,034.66 Waterfront Fd 5,915.20 Equipment Fd

#7248 – Motion by Heinz, second by Grogan, to approve the bills in the amount of \$198,050.10.

Ayes – 5
Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers #7341, #7342 and #7343, checked by the Finance Committee, in the amount of \$198,050.10 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	\$ 74,186.55
Major Streets Fund	3,305.53
Local Streets Fund	1,245.10
Police Reserve	.00
Historical Fund	1,687.09
B. A. Construction Fund	.00
Electric Fund	73,590.69
Water & Sewer Fund	30,817.66
West Traverse Fund	4,205.50
Waterfront Fund	1,240.50
Equipment Fund	7,771.48
Trust Fund	.00

Total	\$ 198,050.10
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3. Citizen Comments

Kathy Lott, Harbor Springs Chamber of Commerce (the “Chamber”) Executive Director, thanked City Council and the City Staff for the support provided to the Chamber during 2006. She also wished everyone a Merry Christmas.

4. Public Hearing on the Proposed 2007 Financial Plan and Budget Document

Mayor Jardine called the Public Hearing to order at 7:03 p.m.

Mayor Jardine asked for public comments. There were no comments.

Mayor Jardine closed the Public Hearing at 7:04 p.m.

5. Budget Amendments to the 2006 Financial Plan and Budget Document

City Manager Geuder stated that the proposed budget amendment updates the 2006 Financial Plan and Budget Document based on the City’s expenses through September 30th and for the additions Council approved.

#7249 – Motion by Heinz, second by Grogan, to approve the “Resolution to Adopt the 2006 Amended Financial Plan and Budget Document” as presented.

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

6. Proposed 2007 Financial Plan and Budget Document

City Manager Geuder briefly discussed the proposed 2007 Financial Plan and Budget Document. He noted that adoption of the plan did not mean approval to proceed with all of the projects.

#7250 – Motion by Grogan, second by Heinz, to approve the “Resolution to Adopt the Financial plan for Fiscal Year Ending December 31, 2007”, as presented.

Ayes – Jardine, Grogan, Heinz, and Kors
Nays – Wiggins

7. Proposed Planning and Zoning Fees

City Manager Geuder discussed the proposed Planning and Zoning Fees. Manager Geuder stated that the proposed fees were not developed with the intent to raise enough revenues to support all of the costs in reviewing the various types of projects considered by the Planning Commission and Zoning Board of Appeals.

Manager Geuder addressed the questions raised by Council members. After the discussion on the proposed rate schedule, the following motion was offered:

#7251 – Motion by Wiggins, second by Kors, to approve the proposed Planning and Zoning fees, as presented.

Ayes – Grogan, Heinz, Kors and Wiggins
Nays – Jardine

8. MERS Resolution

City Manager Geuder stated that the City received an Actuarial Report calling for an increase in the City’s pension contribution from 8.5% to 9.29% or 0.79%. The City agreed to MERS if all City costs were capped at 8.5% of gross wages. Therefore, the increase would have to be born by the employees. Under MERS rules, the employees’ contributions are worth only 85% of the employer’s contributions. Manager Geuder stated that the employees’ contribution rate would have to increase from 4.12% to 5.04% to cover the required increase.

It is a requirement that the Council approve the increased withholding for the employees. Manager Geuder stated Council should approve the “Resolution for Changing MERS Benefits”, as presented, to avoid any increase in the City’s pension liability.

Manager Geuder addressed questions and concerns expressed by Council members. After the discussion, the following motion was offered:

#7252 – Motion by Heinz, second by Grogan, to approve the “Resolution for Changing MERS Benefits”, as presented. This will increase the employees pension contribution from 4.12% to 5.04%.

Ayes – 5
Nays – 0

9. Boards and Commissions

A. Planning Commission (PC)

Council reviewed the PC meeting minutes for December 7, 2006. Councilperson Grogan questioned the "Conflict of Interest Policy". City Attorney Ramer addressed Councilperson Grogan's questions. Mayor Jardine announced that the next PC meeting was scheduled for 6:00 p.m., Thursday, December 21, 2006.

B. Appointments

Mayor Jardine stated that she would like to make the following appointments, if Council has no objections:

George Kilborn	Board of Review	Term Ending 01-01-10
Jeff Ford	Planning Commission	Term Ending 01-01-10
Laura Kors	Planning Commission	Council Representative
Alan Dika	Harbor Commission	Mayor's Designee
Laura Kors	Downtown Development Authority	Council Representative
Ron McRae	Building Authority	05-21-10
Jean Jardine	H.A.R.B.O.R., Inc.	By Position
Alan Dika	H.A.R.B.O.R., Inc.	Mayor's Designee
Mike Heinz	H.A.R.B.O.R., Inc. Open Space and Recreation Initiative	Mayor's Designee
Fred Geuder	H.A.R.B.O.R., Inc. Open Space and Recreation Initiative	Mayor's Designee

There were no objections to the appointments.

C. Next City Council Meeting

Mayor Jardine noted that the next City Council meeting is scheduled for 7:00 p.m., Tuesday, December 19, 2006 in the Little Traverse Township Hall for a Special Joint Meeting with the Village of Alanson and the Townships of Little Traverse, Littlefield and Bear Creek.

The next regular City Council meeting is scheduled for 7:00 p.m., Monday, January 8, 2007 in the Harbor Springs City Council Chambers.

10. Old and New Business

A. Budget Format

Councilperson Grogan thanked the City Staff and Councilperson Wiggins for the new format of the City Budget.

B. Budget Presentation and Planning Commission

Councilperson Kors also thanked all those involved in the Budget process for the new format. She also stated that she believed that the Planning Commission had a good discussion on the Master Plan.

11. Adjournment

With no further business, Mayor Jardine adjourned the meeting at 7:26 pm.

Ronald B. McRae, City Clerk

Approved: January 8, 2007.

Jean Jardine, Mayor

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Attachments