

Mayor Brown called the second meeting of the eighty-fourth Harbor Springs City Council to order at 7:00 p.m. in the City Council Chambers at the City Hall, 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum

City Council:

Present: William M. Brown Jr, Matthew Bugera, John L. Cupps, Jeffrey V. James, and Pringle Pfeifer

Deputy City Clerk Main stated that a quorum was present.

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Daniel J. Branson, Deputy City Clerk Michelle R. Main, outgoing City Clerk Ronald B. McRae, and incoming City Clerk Nick Whitaker

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

# 8418 – Motion by James, second by Cupps, to approve the minutes of the November 21, 2016 regular City Council Meeting as read.

Ayes – 5

Nays – 0

Motion carried.

B. Approval of Bills

I have examined the bills appearing on the vouchers listed below and recommend they be allowed and payment made from the following funds:

<u>Voucher number</u>	<u>Description</u>	<u>Payment to or for</u>	<u>Fund</u>	<u>Amount</u>
8436	Wire	MPPA 11/22/16	Electric	\$18,797.71
8437	Wire	MPPA 11/29/16	Electric	\$21,456.99
8438	Payroll	P.P.E. 11/27/16	General	\$43,722.99
			Major St.	\$295.56
			Local St.	\$175.20
			Historical	\$560.88
			DDA	\$0.00
			Electric	\$12,443.11
			Water/Sewer	\$6,335.92
			Waterfront	\$813.86
			Equipment	\$904.85
8439	A/P	Trust Payouts 11/16/16 - 11/30/16	Trust	\$603.04
8440	Council	Accounts Payable	General	\$16,410.13
			Major St.	\$752.83

Local St.	\$3,290.83
Historical	\$152.38
DDA	\$2,698.23
Electric	\$21,415.47
Water/Sewer	\$29,730.01
W.T. Water	\$5,176.17
Waterfront	\$3,428.52
Equipment	\$2,148.97

BE IT RESOLVED that claims on vouchers 8436, 8437, 8438, 8439, and 8440, as checked by the Finance Committee, in the amount of \$ 191,313.65, be allowed for payment, and the Mayor and the City Manager are hereby authorized to execute warrants to be drawn on the following funds:

General	\$60,133.12
Major St.	1,048.39
Local St.	3,466.03
Historical	713.26
DDA	2,698.23
Electric	74,113.28
Water/Sewer	36,065.93
W.T. Water	5,176.17
Waterfront	4,242.38
Equipment	3,053.82
Trust	603.04
Totals	<u>\$191,313.65</u>

# 8419 - Motion by Bugera, second by Pfeifer, to approve the bills in the amount of \$191,313.65.

Ayes – 5

Nays – 0

Motion carried.

3. Citizen Comments

Resident, Rebecca Baccus, expressed concerns about the trash that littered the City streets after Saturday's Merchant Open House. Discussion followed, with City Manager Richards responding that the trash problem would be addressed with City staff and the organizations responsible for the event.

4. City Manager's Section

A. Proposed 2017 Budget

City Manager Richards presented Council with the recommended 2017 Budget, fiscal and spending plan, which included a briefing pertinent to each section of the proposed budget. City Manager Richards further explained that the budget is an activity based budget and further encouraged Council members to review it and address any and all questions ahead of the budget hearing meeting which will take place at next week's special meeting on Monday, December 12<sup>th</sup>. Questions were raised about whether or not there would be any large

expenditures expected in 2017. City Manager Richards explained that the City is not anticipating any borrowing in 2017, and that everything proposed will be funded by funds currently on hand. City Manager Richards further stated that included in the proposed budget are recommendations for equipment replacement and/or upgrading for various departments and their facilities, as well as the replacement of the water distribution system on Forest Beach.

B. Consideration of Authorization of MPPA Contract for Energy Requirements

City Manager Richards recommended to Council that the City authorizes the MPPA (Michigan Public Power Agency) to purchase energy for seven of the twelve months in 2017 where the City may be short of our projected needs. The authorization to purchase power at a 'not to exceed price', based on a hedge policy which is utilized to protect and stabilize the City's electric costs. Mayor Brown asked questions about the energy purchases recommended by the MPPA staff. City Manager Richards provided explanations about the City's electric power supply sources and the relationship between MPPA, Harbor Springs, and the other member municipal utilities. The City is one of fourteen municipal utilities that are a part of the MPPA, which is an agency that serves only these municipalities to help them secure power costs as part of a larger group instead of individually. Further discussion followed about how the City purchases its power, and at what price. A copy of the MPPA's third quarter report will be sent to council at their request.

# 8420 – Motion by James, second by Pfeifer, to authorize City Manager Richards to approve the MPPA energy purchase as proposed.

Ayes – 4

Nays – 1 (Brown)

Motion carried.

5. Manager's Report

City Manager Richards presented a congratulatory letter received from CALEA (Commission on Accreditation for Law Enforcement Agencies, Inc.) which awarded our Police Department CALEA accreditation, which has become a more stringent process and is considered the gold standard among law enforcement agencies. Police Chief Dan Branson was congratulated by Council for his efforts.

City Manager Richards presented Council with the monthly police report, electric department report, and notification of a payment we received from the Local Community Stabilization Authority.

6. Boards and Commissions

A. Appointments

Mayor Brown stated that he would like to make the following appointments:

1. Incoming City Clerk/Comptroller/Treasurer Nick Whitaker to the Harbor Springs Area Sewage Disposal Authority Board, effective January 1, 2017
2. Councilperson Jeff James to the Zoning Board of Appeals Board, and
3. Mayor Pro-Tem Matthew Bugera to the Harbor Springs Area Sewage Disposal Authority Board

# 8421 – Motion by Cupps, second by Bugera, to approve the appointments proposed by Mayor Brown.

Ayes – 5

Nays – 0

Motion carried.

7. New and Old Business

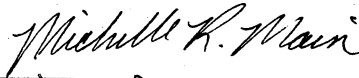
Council Member James referenced a letter received by the Mayor and Council, sent by Al Dika, requesting Council's consideration that he remain in his appointed position on the Harbor Commission Board, which he has been a member of since the mid 1980's. Mayor Brown indicated that he would have to further review this request as he is currently undecided and that he may want to sit on that board himself.

8. Next Meeting

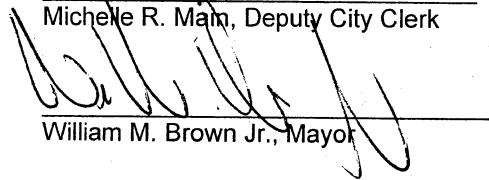
City Manager Richards stated the next City Council meeting is scheduled for Monday, December 12, 2016, and the next regular City Council Meeting is scheduled for Monday, December 19, 2016, both at 7:00 p.m. at City Hall

9. Adjournment

With no further business, Mayor Brown adjourned the meeting at 7:30 p.m.

  
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Michele R. Mann, Deputy City Clerk

Approved: December 19, 2016

  
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William M. Brown Jr., Mayor