Mayor Dika called the twelfth meeting of the eighty-first Harbor Springs City Council to order at 7:00 p.m., in the City Council Chambers at 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum
Present: Al Dika, Matthew Bugera, John L. Cupps and Pringle Pfeifer
Absent: Frederick Holdorph
Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Daniel J. Branson, DDA Board Chairman Rob Mossburg and City Clerk Ronald B. McRae

City Clerk McRae acknowledged that a quorum was present.

2. City Clerk / Comptroller / Treasurer
A. Approval of Minutes
#8012 – Motion by Cupps, second by Bugera, to approve the July 1, 2013 regular City Council meeting minutes as read.
Ayes – 4
Nays – 0
Motion carried.

B. Approval of Bills
I have examined the bills appearing on the vouchers below and recommend they be allowed and payment made from the following funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund Name</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Payroll Ending 6/30/13</td>
<td>General Fund</td>
<td>$51,622.37</td>
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<tr>
<td></td>
<td>Major Street Fund</td>
<td>774.33</td>
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<td></td>
<td>Local Street Fund</td>
<td>817.18</td>
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<td></td>
<td>Historical Fund</td>
<td>920.88</td>
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<td></td>
<td>DDA Fund</td>
<td>0.00</td>
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<td></td>
<td>Electric Fund</td>
<td>12,063.07</td>
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<tr>
<td></td>
<td>Water/Sewer Fund</td>
<td>4,866.72</td>
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<td>Waterfront Fund</td>
<td>9,129.15</td>
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<td>Equipment Fund</td>
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<td></td>
<td>Waterfront Fund</td>
<td>0.00</td>
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<tr>
<td>Wire - MPPA 7/2/13</td>
<td>Electric Fund</td>
<td>$31,895.09</td>
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<td>Wire-MPPA 7/9/13</td>
<td>Electric Fund</td>
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City Council Meeting Minutes  
July 15, 2013  
Page 2

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund Name</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Accounts Payable</td>
<td>General Fund</td>
<td>$5,014.23</td>
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<tr>
<td>Sales Tax 6/30/13</td>
<td>Electric Fund</td>
<td>$13,275.82</td>
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<tr>
<td>Accounts Payable</td>
<td>General Fund</td>
<td>$35,199.53</td>
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<td>Council 7/15/13</td>
<td>Major Street Fund</td>
<td>11,223.29</td>
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<td>Local Street Fund</td>
<td>1,030.85</td>
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<td></td>
<td>Police Reserve Fund</td>
<td>178.81</td>
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<td></td>
<td>Historical Fund</td>
<td>421.30</td>
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<tr>
<td></td>
<td>DDA Fund</td>
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<td>Electric Fund</td>
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<td>Water/Sewer Fund</td>
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<td>WT Water Fund</td>
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<td>Waterfront Fund</td>
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<td></td>
<td>Weather Buoy Fund</td>
<td>0.00</td>
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<tr>
<td></td>
<td>Equipment Fund</td>
<td>8,920.44</td>
</tr>
</tbody>
</table>

#8013 – Motion by Pfeifer, second by Bugera, to approve the bills in the amount of $448,921.43.

Ayes – 4  
Nays – 0  

Motion carried.

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7984, 7985, 7986, 7987 and 7988 checked by the Finance Committee, in the amount of $448,921.43 be allowed for payment, and the City Manager and the Mayor are hereby authorized to execute warrants to be drawn on the following funds:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
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<td>Major Streets Fund</td>
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<td>Local Streets Fund</td>
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<td>Police Reserve Fund</td>
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<td>Historical Fund</td>
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<td>DDA Fund</td>
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<td>Electric Fund</td>
<td>250,508.07</td>
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<td>Water &amp; Sewer Fund</td>
<td>60,955.82</td>
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<td>West Traverse Water Fund</td>
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<tr>
<td>Waterfront Fund</td>
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<td>Weather Buoy Fund</td>
<td>0.00</td>
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<td>Equipment Fund</td>
<td>11,104.14</td>
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<tr>
<td>Trust Fund</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$448,921.43</strong></td>
</tr>
</tbody>
</table>
3. Citizen Comments

Melissa Adeline-Supernault, 7052 Hughston Road, passed out a letter to City Council, which requested City Council to not be hasty in their decision making. She requested that they consider not only their own personal preferences, but also take into account the wants and needs of their children and grandchildren and the younger generation of residents and visitors. She also requested City Council to make their decisions by considering the future, not the past of Harbor Springs.

Adeline-Supernault explained that the reason for her letter and request is due to the changing of the resort community and the aging of the local year-round population. She cited that many young people are moving away from Harbor Springs and that more community events and programs are needed to keep people here. She also discussed the need for better use of City properties.

4. City Manager’s Section

A. 2012 Audited Financial Statements

City Manager Richards introduced Ken Talsma, CPA, Anderson, Tackman & Company, LLC, CPAs, who is the managing partner on the City’s audit. Talsma passed out a handout of several graphs. The graphs illustrated the components of the City’s Statement of Position (City-wide), the City’s Statement of Liabilities and Equity (City-wide), the City’s Statement of Revenues (City-wide), the City’s Statement of Expenditures (City-wide), the City’s General Fund Statement of Revenues, the City’s General Fund Statement of Expenditures and the City’s General Fund-Fund Balance over the last three years.

Talsma also explained to City Council that the City received an unqualified opinion on its audit (the best you can get). Talsma stated the City received a Management Letter explaining some minor deficiencies and things to consider looking forward due to Government Accounting Standards Board (GASB) changes.

#8014 – Motion by Cupps, second by Bugera, to receive and file the 2012 Annual Independent Audit prepared by Anderson, Tackman and Company, LLC, CPAs.

Ayes -4
Nays – 0

Motion carried.

B. Proposed Ordinance No. 386, to Amend the City Code to Restrict Skateboard and In-Line Skate Areas of Use

City Manager Richards stated that Proposed Ordinance No. 386 was formulated based on the City Council discussion at the July 1, 2013 City Council Meeting to prohibit skating and skateboarding on certain City streets and in certain City areas. City Attorney Ramer stated that the Proposed Ordinance restricts skating and skateboarding on the following streets and in the following areas:

a. On M-119 through the City;
b. On the M-119 sidewalks between Gardner Street and Ann Street;
c. On the Judd Street Hill and sidewalk;
d. On Lake Street;
e. On Park Street (the northwest-southeast section of Lake Street from M-119 east of Bay Bluffs);
f. On Hoyt Street; and,
g. On State Street.
City Attorney Ramer also stated that the proposed violations will be punishable as a civil infraction with progressively increasing fines from $75 to $300 per violation.

City Council discussed the Proposed Ordinance. Councilperson Pfeifer questioned if age should be considered in this ordinance. Councilperson Bugera stated that he recalled discussion of permitting skating and skateboarding through the Downtown Development Authority (DDA) District on Bay Street, only. City Attorney Ramer offered language to allow skating and skateboarding on Bay Street through the DDA District.

After the discussion, the following motion was offered:

#8015 – Motion by Cupps, second by Bugera, to approve Ordinance No. 386, with the language change to permit skating and skateboarding through the Downtown Development Authority District on Bay Street. The purpose of Ordinance No. 386 is to restrict skating and skateboarding on certain streets and in the Downtown Development Authority District.

Ayes – 4
Nays – 0

Motion carried.

C. Proposed Sale of the Police Boat

City Manager Richards stated that bids were received on the sale of the Police Boat donated to the City and recently replaced by a more capable public safety vessel which also includes firefighting equipment. The high bid to purchase the police boat was $8,901.

City Manager Richards stated that Irish Boat Shop appraised the value of the boat, motor and trailer and recommended an “asking” price of $10,000 to $11,000. If Irish Boat Shop were to sell the police boat for $10,000. They would charge a 10% or $1,000 commission. The City would net $9,000. That process would increase the revenue by $100. Based upon that reasoning, the City Staff is recommending that City Council approve the sale price of $8,901, the high bid from Alvin Searles.

City Council discussed this issue with City Manager Richards. It was the consensus that City Manager Richards approve the sale of the Police Boat for $8,901.

D. Pickle Ball Modifications to the Waterfront Tennis Courts

City Manager Richards stated that he received a request from Dennis and Sandy Festerling to modify the lines on the waterfront Tennis Courts to play Pickle Ball. City Manager Richards introduced Dennis Festerling to discuss this request with City Council.

Dennis Festerling discussed the game of Pickle Ball with City Council. Festerling explained that the surface of the tennis courts could easily be marked with the lines for Pickle Ball by painting them a different color than the lines used for playing tennis.

City Council discussed this issue briefly. It was their consensus that City Manager Richards authorize Pickle Ball lines be painted on the waterfront tennis courts.
E. DDA Budget Amendment

City Manager Richards stated that the DDA Board of Trustees has approved the recommendation to City Council to amend the 2013 DDA Budget. City Manager Richards introduced Rob Mossburg, Chairman of the DDA Board of Trustees to discuss this request with City Council.

Mossburg stated that the 2013 Budget was formulated by the City Staff based on the assumption that the DDA would hire a full time Director. The DDA Board has proposed the hiring of a part time DDA Director, as soon as funding becomes available. City Clerk McRae stated that normally budget amendments are addressed by City Council in December. However, because the DDA Board is looking for a spending plan to present to potential donors, it was recommended that the DDA have their budget amended at the present time. Council may still need to adjust the DDA Budget in December.

#8016 – Motion by Dika, second by Cupps, to amend the Downtown Development Authority's 2013 Budget from $73,600 to $50,300, as presented.

Ayes – 4
Nays – 0

Motion carried.

F. Farmers’ Market Request to Permit “Guests of the Market”

City Manager Richards stated that Market Master Cyndi Kramer has requested City Council’s consideration and approval of permitting occasional exhibits of “Guests of the Market”. Kramer stated that she would like the approval to allow guest exhibitors at the Farmers’ Market.

Kramer stated that the guest exhibitors would not be permitted to sell goods in direct competition with the paying vendors. However, they can sell goods that may compliment products sold by paying exhibitors. Also, a “Guest of the Market” could be a separate non-profit organization, such as the Marine Corp League looking for an exhibit to discuss their “Toys for Tots” program. Kramer stated that the “Guests” would be allowed only if there is room.

City Council discussed this issue. It was their consensus to authorize the City Manager to approve the request to permit “Guests of the Market”.

G. Vegetation Management Discussion

City Manager Richards reviewed the “Vegetation Management Policy and Practices” (the “Policy”) approved by City Council on July 19, 2010. After the review of the Policy, Mayor Dika and Councilperson Pfeifer questioned the time it takes to get the approval to trim and the presumed conflict between the goals of a ‘view’ and a ‘healthy forest’ on the East Bluff.

Arborist Ben Veiling discussed the time of the approval for trimming and the “Healthy Forest” concept. Veiling stated that he did not agree that there had been delays in arriving at his recommended vegetation management approvals. He pointed out that several owners had requested approval to trim but did not trim after approval was granted.

City Manager Richards discussed the decision making process and timing of the process. The perception of taking up to five years to obtain a satisfactory view was questioned.
Tom Graham and Robert Clarke, East Bluff Drive, believe that the City should take more responsibility for the views over the City owned parcels on East Bluff Drive. Discussion followed on whether restoring views over City parcels should be a cost of the individual property owners or all taxpayers.

Councilperson Pfeifer stated that, in her opinion, there is value to all of the residents, visitors and taxpayers in having a view from East Bluff Drive and other areas. Further, she believes that the City should pay to maintain those views.

Graham passed around pictures of an area that had recently been trimmed. He felt the view was still obstructed and no great vista was seen. Graham stated that the trees should have been topped or removed to open the view to be able to see the Little Traverse Bay. The concept of “continuous” topping of trees was discussed. Veiling passed around pictures showing the damage that had been done to trees that had been continuously topped. Veiling also stated that safety is an issue with trees that have been continuously topped.

Veiling also pointed out that his recommendations had often approved the removal of brush. Mayor Dika suggested that the Policy should also consider the removal of brush.

Councilperson Bugera asked if the brush removal at the foot of Spring Street could be done on a trial basis. Mayor Dika thought that was a great idea and suggested that the City should remove all of the brush out of the triangle at State Street and East Bluff Drive.

City Council discussed this proposal. It was the consensus of City Council to authorize the City Manager to have the area at the foot of Spring Street evaluated and opened up to a view by removing the brush and removing appropriate trees. The discretion for the removal is to be determined by the City Manager.

5. City Manager’s Report

A. Holy Childhood Church of Jesus Request for a Public Event

City Manager Richards stated that the Holy Childhood Church of Jesus Catholic Church (the “Church”) has requested the use of Kosequat Park for a Parish Picnic, which would also include the use of one of the baseball diamonds. They would also like to use a nearby restroom.

City Manager Richards stated that the Church has not decided on a firm date as yet. However, once the date is confirmed, he would like to authorize the proposed event.

#8017 – Motion by Cupps, second by Bugera, to authorize the City Manager to approve the use of Kosequat Park, as requested, once they provide a firm date.

Ayes – 4
Nays – 0

Motion carried.

B. Masonic Breakfast in Tourist Park

City Manager Richards stated that the Masonic Lodge of Harbor Springs has requested the use of Tourist Park on Sunday August 25, 2013 for a Breakfast Fundraiser. The Breakfast Fundraiser will be held in the same format as the June 23, 2013 Breakfast Fundraiser.
C. Blue Cross Blue Shield Health Insurance Renewal Date Change

City Manager Richards stated that Blue Cross Blue Shield has informed the City that its current insurance plan will not be available as of its renewal date of January 1, 2014. By changing the City’s renewal date, the City can retain its option to keep its current plan until December 1, 2014 or change to another plan on December 1, 2013. As yet, Blue Cross has not advised the City about what the effect is going to be on rates, co-pays, benefits and services to be provided.

City Manager Richards stated that no decision will be made until all of the data is received to make that decision.

After a brief discussion, City Council concurred with changing the renewal date to December 1, 2013.

D. Vacation Schedules for the City Manager and the City Clerk

City Manager Richards stated that he will be leaving on vacation July 20, 2013 and returning on Monday, July 29, 2013. He will be available by telephone and email.

City Clerk McRae will be leaving on vacation July 17, 2013 and returning on August 7, 2013. City Clerk McRae will also be available by telephone and email.

E. Department Reports

City Manager Richards stated that the Police Department and Electric Department monthly reports were enclosed for City Council review.

6. Boards and Commissions

A. Appointments

Mayor Dika stated that he had no appointments for Council consideration this evening.

B. Zoning Board of Appeals (ZBA)

Mayor Dika stated that the next ZBA regular meeting is scheduled for 5:30 p.m., Wednesday, August 14, 2013 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

C. Harbor Commission (HC)

Mayor Dika stated that the next HC Meeting is scheduled for 4:00 p.m., Wednesday, July 17, 2013 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

D. DDA Board Meeting

Mayor Dika stated that the next DDA Board meeting is scheduled for 8:00 a.m., Thursday, August 1, 2013 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.
E. Planning Commission (PC)

Mayor Dika stated that the next PC meeting is scheduled for 6:00 p.m., Thursday, July 18, 2013 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

F. Next Council Meeting

The next regular City Council meeting is scheduled for 7:00 p.m., Monday, August 5, 2013. The City Council meeting will be held in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

7. Old and New Business

Councilperson Cupps stated that a manhole cover on East Lake Street is uneven and too low. Further, Councilperson Cupps noted that rain water will pool at the intersection of State Street and East Lake Street.

City Manager Richards stated that he would look into these issues. He also requested City Council Members to contact him as soon as they receive complaints such as this.

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 8:45 p.m.

__________________________________________
Ronald B. McRae, City Clerk

Approved: August 5, 2013

__________________________________________
Alan J. Dika, Mayor