

March 7, 2016

Mayor Pfeifer called the ninth meeting of the eighty-third 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

City Council:

Present: Pringle Pfeifer, Matt Bugera, John L. Cupps, Alan J. Dika and Jeffrey V. James

Absent: None

City Clerk McRae stated that a quorum was present.

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Daniel J. Branson, Assessor / Planning & Zoning Administrator C. Jeffrey Grimm and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#8333 – Motion by James, second by Bugera, to approve the minutes of the February 15, 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>To or For</u>	<u>Description</u>	<u>Fund</u>	<u>Amount</u>
8334	A/P	NO COUNCIL	General	\$ 26,758.78
			Major St.	524.47
			Local St.	282.21
			Historical	742.99
			Electric	7,703.87
			Water & Sewer	4,736.97
			Waterfront	2,398.89
			Equipment	19,109.53
8335	WIRE	MPPA 2/17/16	Electric	\$ 21,598.14
8336	WIRE	SALES TAX 2/5/16	General	\$ 8,242.66
			Electric	16,119.44
8337	WIRE	MPPA 2/23/16	Electric	\$ 26,026.60

<u>Voucher Number</u>	<u>To or For</u>	<u>Description</u>	<u>Fund</u>	<u>Amount</u>
8338	PAYROLL	P.P.E. 2/21/16	General	\$ 35,550.98
			Major St.	2,978.17
			Local St.	1,503.07
			Historical	560.88
			Electric	10,591.20
			Water & Sewer	4,489.38
			Waterfront	1,762.25
			Equipment	3,793.62
8339	A/P	NO COUNCIL	Electric	\$ 43,282.90
8340	WIRE	MPPA 3/2/16	Electric	\$ 26,857.37
8341	A/P	PAYOUTS	Trust	\$ 956,428.21
8342	A/P	COUNCIL 3/7/16	General	\$ 82,440.20
			Historical	194.31
			Electric	13,816.67
			Water & Sewer	257,776.77
			W.T. Water	5,100.10
			Waterfront	5,979.94
			Weatherbuoy	12,382.55

THEREFORE, BE IT RESOLVED that claims on vouchers 8334, 8335, 8336, 8337, 8338, 8339, 8340, 8341 and 8342 as checked by the Finance Committee, in the amount of \$1,599,733.12 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	\$ 152,992.62
Major St.	3,502.64
Local St.	1,785.28
Historical	1,498.18
Electric	165,996.19
Water & Sewer	267,003.12
W.T. Water	5,100.10
Waterfront	10,141.08
Weatherbuoy	12,382.55
Equipment	22,903.15
Trust	956,428.21
Totals	\$1,599,733.12

#8334 - Motion by Cupps, second by James, to approve the bills in the amount of \$1,599,733.12.

Ayes – 5
 Nays – 0

Motion carried.

3. Citizen Comments

None

4. City Manager's Section

A. Lyric Theater – Consideration of Resolution in Support of Redevelopment Liquor License Request

City Manager Richards stated that in June 2013 City Council established the City of Harbor Springs Downtown Development District as a "Redevelopment Area". This designation was necessary to make the City's downtown establishments eligible for a "Redevelopment Liquor License". City Manager Richards stated the Redevelopment Liquor License makes it possible for restaurants and entertainment businesses to get a liquor license if a traditional "escrow" license is not available for purchase.

City Council discussed the Redevelopment Liquor License. After the discussion, the following motion was offered:

#8335 – Motion by Dika, second by Bugera, to approve the Resolution to Recommend the Lyric Theater for a Redevelopment Liquor License approval by the Michigan Liquor Control Commission.

Ayes – 5
Nays – 0

Motion carried.

B. Hillside Senior Housing – Presentation Requesting Consideration of a Payment-In-Lieu-Of-Taxes Agreement

City Manager Richards introduced Mary Catherine Hannah, the Executive Director of the Villages of Perry Farm and of Hillside. City Manager Richards stated that Hannah will discuss the request for a Payment in Lieu of Taxes (a "PILoT") for the new building being constructed on the Hillside campus.

Hannah introduced Webb Martin, the Chairman of the Village of Perry Farm and the Village of Hillside Board of Directors. Martin gave an historical account of how the need for a PILoT came about. He also stated that the Village of Hillside is a place for the Harbor Springs Seniors to live at a lower cost due to the rents being subsidized by the U.S. Department of Housing for Urban Development ("HUD").

Hannah provided a power point presentation illustrating the needs of the Village of Hillside. Hannah stressed that taxing the parcel with the thirty-two (32) new units on it would significantly impact the cash flow to meet the financing requirements. Further, the enabling legislation under which the new building is being constructed allows for the granting of a PILoT instead of paying a tax billing. Further, the general property tax can be replaced by the PILoT. The PILoT is calculated by considering the rents received, less the utilities, multiplied by a percentage. The Village of Hillside would like City Council to have the percentage be 0.00%.

Linda Rachwitz, 519 East Third Street, stated that she was on the Board of Review that granted the original tax exemption for the Village of Hillside; and, she was on the fund raising committee to raise the funds for the community match for the new building. Rachwitz stated that she recommends that City Council grant the PILoT at 0.00%.

Council discussed this issue. Further, Hannah provided information on the services that the Village of Hillside provides in conjunction with the Friendship Center of Harbor Springs (the "Friendship Center"). Part of the new building will house a 2,000 square feet area to be used by the Friendship Center. After the discussion, the following motion was offered:

City Attorney Ramer stated that the enabling legislation does allow for the PILOT and City Council may approve the 0.00%. City Attorney Ramer stated that this action would, for all practical purposes, make the new building tax exempt.

#8336 – Motion by Dika, second by Cupps, to approve the Resolution to grant the Village of Hillside a PILOT at 0.00% with the condition that the City Attorney and City Manager have reviewed and recommended a final agreement document for subsequent approval by Council.

Ayes – 5
Nays – 0

Motion carried.

5. City Manager's Report

A. Update – Odawa Tribe Lawsuit

City Manager Richards stated that City Attorney Ramer will bring City Council up to date on the lawsuit filed by the "Odawa Little Traverse Bay Band of Indians (LTTB)" against Governor Snyder.

City Attorney Ramer stated that all of the affected communities are now represented and have filed to intervene. City Attorney Ramer listed the government entities involved. There are also some major businesses who have jointly filed to intervene. The LTTB has objected to them because they don't believe that the businesses should have that right as they do not have populations that would be affected.

City Attorney Ramer stated that in the research of the Treaty being contested it was found that the properties were never considered to be under the LTTB control. The land would be purchased by individuals, which is contrary to a reservation.

City Attorney Ramer stated that he would continue to update City Council on the progress of the lawsuit.

B. Police Department 2015 Annual Report

City Manager Richards stated that the annual Police Department Report has been provided in the City Council packets for the City Council's review.

C. Property and Liability Insurance

City Manager Richards stated that the City has received its Property and Liability Insurance billing. The billing is a little higher than last year, but within budget. The increase is primarily due to the revised assessments of the City's property. Further, the City will be receiving a check for its dividend payment.

D. Baseball Field Lease Proposal

City Manager Richards stated that the School District approached the City to lease the baseball field to allow them to make improvements from their sinking fund. It appears that the School District is now considering making improvements to another baseball field on their own property within the Reynolds Field Facilities.

E. Patrol Car Replacement

City Manager Richards stated that the new police car has been ordered from Brown Motors, Ford.

F. Pickup Replacement

City Manager Richards stated that the Ford Pickup to replace the 2000 Dodge 4X4 Pick-Up has been ordered, received and put into service.

G. Joint Parking Committee

City Manager Richards stated that the Joint Parking Committee has been scheduled to meet at 8:30 a.m. on Monday, March 21, 2016.

H. Police Officers – Labor Negotiations

City Manager Richards stated that there have been a couple of initial meetings and some delays in the negotiations with the Fraternal Order of Police Labor Council (the "FOP"). Thus far the negotiations have centered on non-economic items and some progress has been made. City Manager Richards stated that he believes that we will be meeting with the FOP in the next few weeks.

I. City Manager's Absence

City Manager Richards stated that he was joining his wife and going to San Antonio to visit his daughter and her family. City Manager Richards stated that he would be reachable by cell phone and e-mail.

J. Upcoming Board and Commission Meetings

City Manager Richards stated that the following meetings are scheduled:

- The Planning Commission will be meeting at 6:00 p.m. on Thursday, March 17, 2016, in the City Council Chambers.
- The DDA/PSD Board will be meeting at 8:00 a.m., Thursday, April 7, 2016, in the City Council Chambers.
- The Zoning Board of Appeals will be meeting at 5:30 p.m. on Wednesday, April 13, 2016, in the City Council Chambers.

K. Monthly Department Reports

City Manager Richards stated that the Police Department and Electric Department Monthly Activity Reports were in the Council packet.

6. Appointments

Mayor Pfeifer stated that she had no appointments to make this evening.

7. City Council New and Old Business

None


8. Adjournment

With no further business, Mayor Pfeifer adjourned the meeting at 8:01 p.m.



Ronald B. McRae, City Clerk

Approved: March 21, 2016



Pringle Pfeifer, Mayor

City Council Meeting Minutes
March 7, 2016
Attachments Page



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll Free: 866-813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a regular meeting of the City of Harbor Springs council/board
(regular or special) (township, city, village)

called to order by _____ on March 7, 2016 at 7:00 p.m.
(date) (time)

the following resolution was offered:

Moved by _____ and supported by _____

that the application from Harbor Springs Lyric Theatre
(name of applicant)

for the following license(s): new Class C pursuant to MCL 436.1521a(1)(b)
(list specific licenses requested)

to be located at: 275 East Main Street

and the following permit, if applied for:

Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it recommends this application be considered for
(recommends/does not recommend)

approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: 5

Nays: 0

Absent: 0

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the City
council/board at a regular meeting held on March 7, 2016 (township, city, village)
(regular or special) (date)

Ronald B. McRae

March 7, 2016

Print Name of Clerk

Signature of Clerk

Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Fax to: 517-763-0059