

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

1. Roll Call and Verification of Quorum

City Council:

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

Absent: Matthew Bugera

City Clerk Whitaker stated that a quorum was present.

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Kyle Knight, DPW Director Lucas VanderZee, and City Clerk Nick Whitaker

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

Minutes for the August 7, 2017 regular City Council Meeting were presented for approval. No corrections were made. A motion to approve the minutes as presented was entertained.

# 8501 – Motion by James, second by Pfeifer, to approve the minutes of the August 7, 2017, regular City Council Meeting as read.

Ayes – 4  
Nays – 0  
Absent – Bugera

Motion carried.

B. Approval of Bills

The bills on the following vouchers, as listed below, have been examined. It has been recommended that they be approved for payment from the following funds:

| <u>Voucher number</u> | <u>Description</u> | <u>Payment</u>            | <u>Fund</u> | <u>Amount</u>  |
|-----------------------|--------------------|---------------------------|-------------|----------------|
| 8528                  | Payroll            | P.P.E. 8/6/17             | General     | \$75,543.02    |
|                       |                    |                           | Major St.   | \$378.71       |
|                       |                    |                           | Local St.   | \$458.36       |
|                       |                    |                           | Historical  | \$596.88       |
|                       |                    |                           | Electric    | \$12,908.58    |
|                       |                    |                           | Water/Sewer | \$5,759.89     |
|                       |                    |                           | Waterfront  | \$9,507.27     |
|                       |                    |                           | Equipment   | \$2,376.36     |
| 8529                  | Wire               | MPPA 8/9/17               | Electric    | \$29,077.75    |
| 8530                  | Wire               | MPPA 8/15/17              | Electric    | \$74,953.34    |
| 8531                  | A/P                | Trust Payouts<br>12/31/16 | Trust       | \$3,374,281.95 |
| 8532                  | Wire               | Sales Tax 7/31/17         | General     | \$5,898.53     |
|                       |                    |                           | Electric    | \$18,596.95    |

| <u>Voucher number</u> | <u>Description</u> | <u>Payment</u>                | <u>Fund</u> | <u>Amount</u> |
|-----------------------|--------------------|-------------------------------|-------------|---------------|
| 8533                  | Council            | Accounts Payable<br>8/21/2017 | General     | \$112,072.80  |
|                       |                    |                               | Major St.   | \$635.76      |
|                       |                    |                               | Local St.   | \$635.76      |
|                       |                    |                               | Historical  | \$724.40      |
|                       |                    |                               | Electric    | \$127,755.64  |
|                       |                    |                               | Water/Sewer | \$121,637.85  |
|                       |                    |                               | Waterfront  | \$3,225.60    |
|                       |                    |                               | Equipment   | \$20,949.88   |

BE IT RESOLVED that claims on vouchers 8528 through, and including, voucher number 8533 as checked by the Finance Committee, in the amount of \$3,997,975.28 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     | \$193,514.35          |
| Major St.   | \$1,014.47            |
| Local St.   | \$1,094.12            |
| Historical  | \$1,321.28            |
| Electric    | \$263,292.26          |
| Water/Sewer | \$127,397.74          |
| Waterfront  | \$12,732.87           |
| Equipment   | \$23,326.24           |
| Trust       | \$3,374,281.95        |
| Totals      | <u>\$3,997,975.28</u> |

# 8502 – Motion by James, second by Pfeifer, to approve the bills in the amount of \$3,997,975.28

Ayes – 4  
 Nays – 0  
 Absent – Bugera

Motion carried.

### 3. Citizen Comments

Chief Knight stated that the new Police vehicle arrived last week and is parked outside if anyone is interested in taking a look at it. The Police vehicles will be numbered for easier identification. Chief Knight also noted that they are currently investigating six recent larcenies from automobiles, there are currently no suspects but they are still working hard at it.

### 4. City Manager's Section

#### A. 2016 Audited Financials

City Manager Richards introduced Mr. Ken Talsma from Anderson, Tackman & Company, PLC, CPAs. Talsma presented a brief overview of the City's 2016 Audit, which is required by the State. Talsma stated that the City received an unmodified opinion on its audit and that opinion is the highest level of assurance the City could receive. Talsma explained the overall audit process and also stated that an ACT 51 audit was also conducted this year, which is now required by MDOT, and went well. Talsma stated that overall the City is doing well financially, there were no fund deficits, and budgeting overall was good with the exception of a few small overages. Improvements over last year were that adjustments went down and, the audit process overall went smoother, indicating that the City experienced a smooth transition after the retirement of Ron McRae.

Council Member James asked about the funding of the City's pension, City Manager Richards stated that the City receives an actuarial from MERS on a regular basis. Talsma stated that page forty-one of the audit report has information pertaining to the percentages and gave a brief overview, stating that the fund is healthy. City Manager Richards also explained that the City pays 11.5% with the remainder being paid by City employees, and that due to this structure it provides a safety valve, which most communities do not have.

Council Member Pfeifer thanked Clerk Whitaker for helping her with the questions she had and that he was thorough with his explanations. Mayor Brown asked for further explanation on some of his questions addressed previously, and for further explanation on some of the budget overages. Clerk Whitaker addressed these issues and stated that all of the recommendations made by the auditors have been addressed, that the overages will be taken into consideration in the 2018 budget, and provided a detailed explanation of the budget process. Whitaker further explained that the adopted budget is a spending plan, which is amended at the end of the year, and is not zero based budget but more of a trend budget. Further discussion followed about budgeting and the bidding process. Talsma thanked the City staff for all of their help during the audit process and stated that everyone was helpful and timely making the process easier.

#8503 - Motion by James, second by Pfeifer, to receive and file the 2016 Independent Audit performed by Anderson, Tackman & Company, PLC, CPAs as presented.

Ayes – 4  
Nays – 0  
Absent – Bugera

Motion carried.

B. Proposed Language for Attendance and Conflict-of-Interest Policies

City Manager Richards presented and explained the proposed language provided by City Attorney Ramer which includes common language pertaining to attendance and conflict of interest policies for the City's boards and commissions. Discussion followed about the process for adopting these policies, the attendance policy parameters set forth in the proposed language, and how it would affect individual boards with fewer meetings per calendar year.

#8504 - Motion by James, second by Cupps, to approve the proposed language for recommendation to each of the City's boards and commissions for their consideration of possible adoption.

Ayes – 4  
Nays – 0  
Absent – Bugera

Motion carried.

C. 405 Glenn Dr. Right-of-Way Obstacle/Obstruction Violation

City Manager Richards explained that in May the City was notified by the property owner of 405 Glenn Dr. of property damage occurring on their stone wall in front of their home, and that upon investigation of the location of the wall it was determined that the stone wall is eleven feet into the City's right-of-way on Washington St. and further out into Glenn Dr. City Manager Richards further explained the City Code pertaining to obstacles in the right-of-way, the history behind the location of the wall, and presented the opinion of City Attorney Ramer and Benchmark Engineering after reviewing the issue. Discussion followed about the potential for other properties in the City that may also have right-of-way obstructions and what the next steps would be for the potential removal of the wall. City Manager Richards explained that it is the responsibility of the property owner to maintain right-of-way property adjacent to their own property and that the property owner would have the opportunity to put grass or gravel in the area, so long as it is not an obstacle or obstruction.

Photos were also presented of the area in question and the right-of-way was further explained. Discussion followed about the number of accidents occurring due to the location of the wall, Chief Knight stated that he would have to look into the numbers but that any crashes resulting in damage to the wall from vehicles were due to the location of the wall. Council Member James questioned the property at 409 Glenn Dr. Additional discussion followed about the timeframe in which the wall was built, what exceptions were previously given, and what the guidelines would be now for granting new exceptions. Council Members expressed their opinions on the wall and whether or not to grant an exception. Mayor Brown requested that City Attorney Ramer be asked to research options for making an exception in this case and what the conditions would be. Mayor Brown also discussed the improved directional signage that is to be installed as well as the potential that cars might then park in the area if the wall is removed if appropriate signage isn't in place. Council Member James stated that he may recuse himself due to the fact that he is friends with the property owners.

By consensus, Council agreed to direct City Attorney Ramer to investigate the next step to advise council on an exception that could be considered.

Council Member Cupps asked if the property owner had any comment. Scott Howard, an Attorney representing the property owners expressed his appreciation to Council for their efforts in making an appropriate determination and stated that public right-of-ways are important issues for all communities. Howard further stated that the wall, which functions as a fence, has been there over sixty years, was built to last, is architecturally unique to the area, and makes the property and roadway look nice. Howard expressed his opinion on the approach the City has taken and stated that he feels the directive by Council to have Attorney Ramer further review is reasonable. Howard then presented a brief statement, signed by twenty-eight homeowners all in support of keeping the stone wall in the neighborhood.

D. Traffic Control Order – Proposed Handicap Parking on Main St.

City Manager Richards explained that the family of the property owner and resident, John Demmer, has requested a handicap parking space in front of the Demmer property at 420 E. Main St. Mayor Brown stated that he is in support of the request as long as any other City resident is granted the same courtesy given a similar situation. City Manager Richards stated the Chief of Police has the ability to authorize a ninety day traffic control order but that Council approval is needed to make it permanent. Chief Knight stated that the order can always be rescinded should it become an issue and that he is currently looking into other traffic controls that need addressing.

#8505 - Motion by Cupps, second by James to approve Traffic Control Order 2017-03 to designate one parking space on eastbound E. Main St. east of Judd St.

Ayes – 4  
Nays – 0  
Absent – Bugera

Motion carried.

E. Cleaning Services for City Buildings – Consideration of Competitive Proposals

City Manager Richards stated that the City's previous cleaning service company notified the City that it would no longer be able to continue to provide its services to the City, resulting in the City obtaining competitive bids to replace their services. City Manager Richards presented the bids received and made the recommendation that the City accept the competitive bid from Michigan Maid. Discussion followed about the pricing, where the company is based, and the contract period, which is not a long term contract. Background checks for the employees of Michigan Maid will be conducted as required due to the fact they will also be cleaning the Police Department building. By consensus, Council authorized City Manager Richards to accept the proposal from Michigan Maid for cleaning four of the City's buildings for a trial period of one year, beginning immediately upon successful background and reference checks.

## 5. Manager's Report

City Manager Richards reviewed his Manager's Report and briefed Council on the following:

- Garage Encroachment: The City was recently made aware that the garage on the property at 410 4<sup>th</sup> St. is encroaching onto public land at the base of the bluff, the issue has been addressed by City Attorney Ramer and an agreement has been made, no objections were proposed.
- Proposed Crosswalk: A request for a pedestrian crosswalk was received by property owners at Nelson and Main Streets which was considered and approved by MDOT, no objections were made.
- Life and Disability Insurance: The City has solicited for competitive quotes for life and disability insurance, Dearborn National was the low bidder, giving City employees the same term life insurance, at a savings of \$135.00 per month. No objections were made to changing the insurance carrier.
- Fire Suppression: Partial replacement of the fire suppression system at the DPW building was budgeted for in 2017, bids were reviewed, and upon review of the bids it was determined that full restoration of the equipment would be beneficial to the longevity of the system and still under budget. No objections were made to approving the \$4,686.00 expense with the work to be completed by John E. Green in the coming weeks.
- Sale of Surplus Equipment: Three pieces of equipment were replaced in the 2017 capital budget. Advertising for the sale of the surplus equipment, by sealed bid, will be placed in local papers.
- Wayfinding Sign Project: The additional expense of \$3,000.00 to facilitate competitive bids for the fabrication and installation of the signs was approved by the DDA, using DDA funds. Discussion followed about the project and Mayor Brown expressed his desire to see an example of the proposed sign to be temporarily installed so that residents can have a preview of the sign.
- Main Street Banner: Banners for local civic events installed across Main St. have historically been approved and installed by the City's electric department; however, due to how the banners are hung, and the expense to the City, City Manager Richards is requesting the City look into alternatives. Discussion followed about the banners, and it was determined that the DDA and Chamber of Commerce be asked to look into alternative options.
- Voting Equipment: New electronic voting equipment was received; training will take place for City staff and election workers prior to the November election.
- MML Conference: City Manager Richards will attend the Michigan Municipal League's annual conference in September. Council Members are also welcome to attend.
- Proposed Wolverine Sculpture Donation: A proposal was received for the City to consider accepting a donation of a sculpture, however, the proposal was also made to many other Cities around the State, nothing further has been received from the potential donor.
- M-119 Signs: The approved new direction signage has been ordered and will be installed as soon as they are received in the coming weeks.
- Upcoming Boards and Commissions Meetings
  - DDA/PSD Board – Thursday, September 7, 2017
  - Zoning Board of Appeals – Wednesday, September 13, 2017 5:30 p.m.
  - Planning Commission – Thursday, September 21, 2017 at 6:00 p.m.
  - Harbor Commission – Wednesday, October 18, 2017 4:00 p.m.

## 6. Appointments

Mayor Brown stated that currently had no appointments to make at this time; however, there would be appointments to consider in January on some of the City's Boards and Commissions. Mayor Brown stated that if anyone is interested in being considered to serve on a board they should make it known by contacting the City.

7. Old and New Business

None

8. Next Meeting

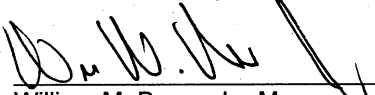
City Manager Richards stated the next regular City Council Meeting is scheduled for 7:00 p.m., Tuesday, September 5, 2017.

9. Adjournment

With no further business, Mayor Brown adjourned the meeting at 8:15 p.m.

  
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Nick Whitaker, City Clerk

Approved: September 5, 2017

  
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William M. Brown Jr., Mayor

Attachments page

Traffic Control Order 2017-03

Harbor Springs Police Department  
170 Zoll Street  
Harbor Springs, MI 49740  
Telephone: (231) 526-6211 Fax: (231) 526-2699  
Chief of Police: Kyle Knight

**TRAFFIC CONTROL ORDER**

Traffic Control #: 2017-03

Effective Date: August 21, 2017

Dedicate one handicap parking space on East Main Street, for eastbound parking, directly in front of 420 East Main Street, Harbor Springs MI. This will allow for residents who reside at 420 E Main Street handicap accessibility to the residence.

  
\_\_\_\_\_  
Kyle Knight, Chief of Police  
Serving as Traffic Engineer

Dated: 8/22/17

8-23-17  
\_\_\_\_\_  
Received for filing (date)

  
\_\_\_\_\_  
Nick Whitaker, City Clerk

Approved by: City Council of Harbor Springs  
(Legislative body)

8-23-17  
\_\_\_\_\_  
(Date)