Mayor Pfeifer called the twelfth 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**

   **Present:** Pringle Pfeifer, Matthew Bugera, John L. Cupps, Alan J. Dika and Jeff James

   **Absent:** None

   **Also Present:** City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Daniel J. Branson and City Clerk Ronald B. McRae

   City Clerk McRae acknowledged that a quorum was present.

2. **City Clerk / Comptroller / Treasurer**

   **A. Approval of Minutes**

   #8222 – Motion by Dika, second by James, to approve the April 20, 2015 regular meeting minutes as read.

   **Ayes** – 5
   **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>Voucher Number</th>
<th>Description</th>
<th>Fund Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8230</td>
<td>Wire-MPPA 4/21/15</td>
<td>Electric Fund</td>
<td>$26,179.14</td>
</tr>
<tr>
<td>8231</td>
<td>Payroll Ending 4/19/15</td>
<td>General Fund</td>
<td>$31,267.38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Major Street Fund</td>
<td>1,026.17</td>
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<tr>
<td></td>
<td></td>
<td>Local Street Fund</td>
<td>555.08</td>
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<td></td>
<td></td>
<td>Historical Fund</td>
<td>560.88</td>
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<td></td>
<td></td>
<td>Electric Fund</td>
<td>11,311.16</td>
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<tr>
<td></td>
<td></td>
<td>Water/Sewer Fund</td>
<td>6,508.39</td>
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<tr>
<td></td>
<td></td>
<td>Waterfront Fund</td>
<td>1,680.28</td>
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<tr>
<td></td>
<td></td>
<td>Equipment Fund</td>
<td>2,425.36</td>
</tr>
<tr>
<td>8232</td>
<td>Wire-MPPA 4/29/15</td>
<td>Electric Fund</td>
<td>$22,103.65</td>
</tr>
</tbody>
</table>
Voucher Number | Description | Fund Name         | Amount    \\
--- | --- | --- | --- \\
8233 | Accounts Payable Council 5/4/15 | General Fund | $17,013.39 \\
          |                  | Major Street Fund | 1,708.98 \\
          |                  | Electric Fund    | 1,109.59 \\
          |                  | Historical Fund  | 244.69 \\
          |                  | DDA Fund         | 1,176.00 \\
          |                  | Electric Fund    | 36,742.05 \\
          |                  | Water/Sewer Fund | 202,171.33 \\
          |                  | WTT Water Fund   | 5,028.95 \\
          |                  | Waterfront Fund  | 909.45 \\
          |                  | Equipment Fund   | 1,983.01 \\

#8223 – Motion by Bugera, second by Dika, to approve the bills in the amount of $371,704.93.

Ayes – 5
Nays – 0

Motion carried.

THEREFORE, BE IT RESOLVED that claims on voucher numbers 8230, 8231, 8232, and 8233 checked by the Finance Committee, in the amount of $371,704.93 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 $48,280.77
- Major Street Fund 2,735.15
- Local Streets Fund 1,664.67
- Historical Fund 805.57
- DDA Fund 1,176.00
- Electric Fund 96,336.00
- Water/Sewer Fund 208,679.72
- West Traverse Water Fund 5,028.95
- Waterfront Fund 2,589.73
- Equipment Fund 4,408.37

**Total 371,704.93**

3. Citizen Comments

None

4. City Manager’s Section

A. Consideration of Proposed Ordinance 395

City Manager Richards discussed proposed Ordinance No. 395, which creates a Tax Increment Financing (a “TIF”) District. The purpose of the TIF District is to capture the growth in property tax revenues based upon taxable value (“TV”) growth, which is multiplied by the current tax rates of the taxing agencies that levy a property tax in Harbor Springs.
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City Manager Richards stated that the TIF District will generate revenues for the Downtown Development Authority (the “DDA”) over years 2015, 2016 and 2017 based upon the growth over the base year of 2014. The monies will be used toward any projects and the administration of the DDA.

City Council discussed proposed Ordinance No. 395 with the City Manager and City Attorney. After the brief discussion, the following motion was offered:

#8224 – Motion by James, second by Dika, to approve Ordinance No. 395, which establishes a TIF District to capture tax revenue growth for the DDA for the years 2015, 2016 and 2017.

Ayes: Cupps, Dika, James, Pfeifer and Bugera
Nays: None

Motion carried.

B. Consideration to Award the Contracts for the Replacement of the Substation Exit Conductors

City Manager Richards stated that the construction bids were received to replace the Substation Exit Conductors. The total budgeted costs of this project were $63,000. The bids received for the Replacement of the Exit Conductors were:

- CC Power $89,605; and,
- Kent Power $55,244.

City Manager Richards stated the excavation bids for the conduit installation were received from:

- Harbor Springs Excavating $14,874; and,
- Lowery Underground $ 7,750.

City Manager Richards stated the total project costs were bid at $62,994. Further, the Engineer’s and the Staff’s recommendations are to award to the low bidders.

#8225 – Motion by Cupps, second by James, to award the contracts for the Replacement of the Substation’s Exit Conductors to the low bidders of Kent Power in the amount of $55,244 and to Lowery Underground in the amount of $7,750.

Ayes – 5
Nays – 0

Motion carried.

C. Consideration of the Approval of Food Vendor’s Concession Licenses

City Manager Richards stated that the operator of the Harbor Grill and the Harbor Dog Food Vendors has requested approval of licenses for the 2015 summer season. The “Harbor Grill” will be located in lower Zorn Park by the electric transformer in the northeast corner on the south side of Bay Street. The “Harbor Dog” will be on the waterfront near the Harbormaster Building.

City Manager Richards stated that he asked if there were any issues from last year. The only comment he received was from the Harbormaster Michael Johnson. The Harbormaster requested that the “Harbor Dog” do the following:

- Improve the cover so that it will not blow off; and,
- Have more consistent hours of operation for the cart.
Wally Wertman stated that he would have the cover issue addressed and will also have the young men operating the "Harbor Dog" be more consistent in their hours.

#8226 – Motion by James, second by Dika, to authorize the City Manager to issue the concession licenses to the "Harbor Grill" for operation in Lower Zorn Park and to the "Harbor Dog" for operation on the waterfront near the Harbormaster Building, with the following conditions:

- Repair or replace the cover to prevent it from blowing off; and
- Operate with more consistent hours.

Ayes – 5
Nays – 0

Motion carried.

D. Shay Days

City Manager Richards stated that he received a request from Mary Cummings, the Executive Director of the Harbor Springs Area Historical Society, to hold “Shay Days” from July 17, 2015 through July 19, 2015. Some of the special requests for the event were:

- Use of Shay Park at East Main Street and Judd Street for the scale model steam trains and or displays.
- Permission for Carter’s Coney Cart to sell food on July 17 and 18, 2015, to the public attending the “Shay Days” event. They will set up in the front of the Shay House.
- Have the City suspend the irrigation in Shay Park during the three-day event.

#8227 – Motion by James, second by Bugera, to authorize the City Manager to approve the “Shay Days” event and the special requests.

Ayes – 5
Nays – 0

Motion carried.

E. Zorn Park Beach Handicap Access Accommodations

City Manager Richards stated that he and Joel Clark, the retired DPW Superintendent, met with a representative of a local organization to discuss the possibility of providing simple accommodations for disabled individuals to enjoy the water at Zorn Park Beach. City Manager Richards reviewed the request to use a roll-up mat to enable individuals to get from the sidewalk to the water. He also discussed a floating chair.

City Manager Richards illustrated the proposed location for the “Mobi-Mat” to be located. City Manager Richards stated that a concrete pad or ramp will need to be installed to enable wheelchairs to transition from the sidewalk to the Mobi-Mat. The “Mobi-Mat” is anticipated to be approximately fifty (50) feet long and will go from the proposed ramp to the water.

Councilperson Cupps stated that Cupps Masonry offered to install the ramp at no cost to the City, which includes the cost of the concrete. Further, City Manager Richards stated that both the “Mobi-Mat” and the “Mobi-Chair” should be able to be stored in the Lifeguard area of the Beach House.
#8228 – Motion by Cupps, second by James, to authorize the City Manager to have the ramp installed (by Cupps Masonry) and to permit the use and storage of the “Mobi-Mat” and the “Mobi-Chair”.

Ayes – 5
Nays – 0

Motion carried.

F. Request for a “Truth-In-Taxation” Public Hearing

City Manager Richards stated that the taxable values are all in place and the City Clerk has estimated the City’s millage rate needs for 2015. City Manager Richards stated that the calculations point to the need of a small millage rate increase to meet the budgeted revenues for 2015.

City Manager Richards also stated that there are other considerations that City Council needs to be aware of for 2015 concerning the Street Funds that are needed.

Councilperson Cupps asked for a copy of the City Clerk’s memorandum recommending the millage rate for 2015.

It was a consensus of City Council to approve the holding of a “Truth-In-Taxation” Public Hearing for the 2015 proposed millage rate.

5. City Manager’s Report

A. City Parking Fund

City Manager Richards stated that Ordinance No. 381, approved in 2012, created a “City Parking Fund”. The purpose of the City Parking Fund was a way to allow a new business to provide off-street parking. The monies paid into the City’s Parking Fund would be used to construct parking spaces or lots.

City Manager Richards stated that the cost of constructing a parking space, based upon the costs of the Spring Street Property north of East Third Street and the Engineer’s estimate of construction would be approximately $18,000. City Manager Richards recommended charging $15,000 per parking credit. However, for a start-up business, the upfront expense to pay for the parking fund fee could be prohibitive.

City Manager Richards stated that the City could allow the purchase of the required off-street parking contribution over time to reduce the significant one-time cost to meet the parking requirement.

Councilperson Cupps thought the proposal of the purchase over time was a good plan. Councilperson Dika stated that it is better to contribute to the construction of new parking spaces rather than pay a lease for an existing private spot.

City Council, by consensus, authorized the City Manager to work with the City Attorney and write an Ordinance or Policy for purchasing parking credits over time. When the draft is available, it will be brought to City Council for approval.

B. Wayfinding Grants

City Manager Richards stated that Rachel Smolinski has successfully applied for and the City has been awarded a grant from the Petoskey-Harbor Area Community Foundation. A $4,000 grant has been approved. City Manager Richards stated that
Smolinski and DDA chairman Mossburg continue to look for more grants. Further, depending on the amount of additional grants received, City Council may be asked to approve a contribution for a portion of the Wayfinding Study or Analysis costs.

C. Popcorn Fund Raiser

City Manager Richards stated that the sisters, Hannah and Sydney Lewis, have asked for approval to sell popcorn for the Rising Hope Riding Center again this year. The popcorn sale will be on July 4th at the corner of the dockside sidewalk at the marina, next to Dudley’s Deck.

The City Council consensus was to authorize the City Manager to approve the Lewis Sister’s request.

D. Hoyt Reservoir Property

City Manager Richards stated that the Hoyt Reservoir Property may have increased in value enough to consider its sale. City Council stated that City Manager Richards should review this issue with some of the area realtors. City Council would like to review the findings.

E. Board and Commission Meeting Schedule

City Manager Richards stated that the following Boards and Commissions were scheduled to meet:

- DDA/PSD Board is scheduled to meet in the City Council Chambers at 8:00 a.m., Thursday, May 7, 2015.
- Zoning Board of Appeals was scheduled to meet in the City Council Chambers at 5:30 p.m., Wednesday, May 13, 2015. The meeting has now been cancelled.
- Planning Commission is scheduled to meet in the City Council Chambers at 6:00 p.m., Thursday, May 21, 2015

F. Department Reports

City Manager Richards stated that the Electric Department and Police Department activity reports are in the City Council packets for City Council review.

6. Board and Commission Appointments

Mayor Pfeifer stated she had no appointments for consideration this evening.

7. Old and New Business

A. Hole on the East Hill

Councilperson Cupps questioned the hole on the East Hill coming into Town. City Manager Richards stated that the concrete that supports the manholes located there is giving way. The Department of Transportation is considering the best way to handle the issue and get it corrected.
B. The Lyric Theater

Councilperson James stated that the Lyric Theater has been awarded its 501C(3) status.

8. Adjournment

With no further business, Mayor Pfeifer adjourned the City Council Meeting at 7:36 p.m.

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Ronald B. McRae, City Clerk

Approved: May 18, 2015

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Pringle Pfeifer, Mayor