Mayor Dika called the fifth meeting of the eightieth 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: Alan J. Dika, Alan Hegedus, Michael K. Heinz, Frederick Holdorph and Cecelia Johnston

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

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following change was requested to be made to the January 16, 2011 meeting minutes:

Page 2, Item 2B, Motion No. 7872 reads, “Motion by Heinz, second by Holdorph, to approve…” It should read, “Motion by Johnston, second by Holdorph to approve…”

#7874 – Motion by Johnston, second by Holdorph, to approve the January 16, 2012 regular City Council meeting minutes as amended.

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>7787</td>
<td>Trust Payouts 1/1-1/15/12</td>
<td>Trust Fund</td>
<td>$166,633.36</td>
</tr>
<tr>
<td>7788</td>
<td>Wire – Fuel Bill 1/4/12</td>
<td>General Fund</td>
<td>$438.44</td>
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<td></td>
<td></td>
<td>Equipment Fund</td>
<td>7,442.92</td>
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<tr>
<td>7789</td>
<td>Payroll Ending 1/15/12</td>
<td>General Fund</td>
<td>$38,396.01</td>
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<td></td>
<td></td>
<td>Major St. Fund</td>
<td>1,254.37</td>
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<td></td>
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<td>Local St. Fund</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>12,809.29</td>
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<tr>
<td></td>
<td></td>
<td>Water/Sewer Fund</td>
<td>7,046.81</td>
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<td></td>
<td>Waterfront Fund</td>
<td>421.50</td>
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<tr>
<td></td>
<td></td>
<td>Equipment Fund</td>
<td>4,026.72</td>
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<tr>
<td>7790</td>
<td>Wire 1/19/12 MPPA Invoice</td>
<td>Electric Fund</td>
<td>$31,003.94</td>
</tr>
<tr>
<td>7791</td>
<td>Wire 1/26/12 MPPA Invoice</td>
<td>Electric Fund</td>
<td>$32,797.85</td>
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</tbody>
</table>
#7875 – Motion by Heinz, second by Holdorph, to approve the bills in the amount of $763,692.23.

Ayes – 5

Nays – 0

Motion carried.

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7787, 7788, 7789, 7790, 7791, 7792, 7793, 7794 and 7795, checked by the Finance Committee, in the amount of $763,692.23 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: $111,624.25
- Major Streets Fund: 4,195.68
- Local Streets Fund: 3,849.66
- Police Reserve: 3.25
- Historical Fund: 1,315.39
- DDA Fund: 129.67
- Electric Fund: 130,029.36
- Water & Sewer Fund: 33,698.71
- West Traverse Water Fund: 5,156.30
- Waterfront Fund: 9,076.17
- Weather Buoy Fund: 0.00
- Equipment Fund: 24,910.06
- Trust Fund: 439,703.73
- Farmers’ Market Fund: 0.00

Total: $763,692.23
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3. Citizen Comments

Bill Prall, 3512 N. State Road, stated that we need more snow. Mayor Dika stated that
this was the wrong Council to address that situation.

4. City Manager’s Section

A. District Library Request for Consideration of a Downtown Site

City Manager Richards stated that the “Friends of the District Library Board” has
requested an alternative site to construct a library building if the District Library Millage
is passed in November. City Manager Richards introduced Judy Harvey as the
spokesman for the “Friends of the District Library”.

Judy Harvey, Chairperson of the Friends of the Harbor Springs Area District Library,
discussed the reasons for the request to change the site to a place nearer to or in the
Downtown Area. She referred to Robert Gibbs, an Urban Planner, who believes that a
modern library and community center would be expected to attract at least two hundred
people to daily downtown Harbor Springs.

Barbara Young, 14 Woods Drive, passed out a statistical sheet of other neighboring
communities which reflects the effect of their District Libraries drawing visitors to their
communities.

Bill Engler, 7237 M-119, stated he believes that the green space at the Shay
Waterworks Park should be left as green space.

Nancy Lightfoot, 589 Sargent Street, stated that you can get what you need from the
current library and from the North Central Michigan Community College. All you need is
the internet and a pass code.

Cynthia Shafer, 348 Glenn Drive, stated that she believes the City should keep the
green space, but let the Placemaking effort evolve before deciding the question.

Cathie Reindel, 646 Ann Street, believes the District Library Site offered previously is a
perfectly good site. She believes that selection of a site may be a step ahead in the
process, especially if the District Library is turned down.

Scott Langton, American Spoon Foods, believes that the site on East Lake Street is a
disadvantage because people won’t come downtown. If the District Library is
downtown, the location will help to draw people into downtown.

Gerry Burns, 535 N. Spring Street, stated that he has been a resident for over sixty-five
(65) years and has used the current library for close to sixty (60) years. Whether the
proposed District Library is something the voters want will be decided in November,
however, to build a structure in the Shay Waterworks Park is not something he is in
favor of. He would prefer to leave that area a green space.

Linda Rachwitz, 519 E. Third St., discussed the proposed District Library, and stated
she supported the District Library, but was not in favor of the proposed site at the Shay
Waterworks Park.

City Manager Richards reminded people that this discussion is not on the merits of a
District Library. It is on the request for the site of the District Library Building.
Susan Clarke, E. Bluff Dr., thanked City Council for its site that was approved on East Lake Road. It is a good site. The Main St. site is a better site based on the place making discussions.

Councilperson Heinz stated he is not interested in giving up the green space at the Shay Waterworks Park.

Scott Langton discussed the advantages to the downtown businesses if the District Library was constructed at the Shay Waterworks Park.

Mayor Dika stated that he reviewed the value of the Shay Waterworks Park to that of the site on East Lake Road. Based on his conversation with a real estate professional, the low end of the market value of the Shay Waterworks Park is approximately $800,000. The value of the East Lake Street site is approximately $150,000. To give the District Library the Shay Waterworks Park is betraying a public trust, in his opinion. Further, the District Library could purchase a building site downtown to remodel or reconstruct a building on for the proposed District Library Building.

Councilperson Holdorphp stated that the greatest percentage of individuals that have discussed this issue with him do not want the City to give away the Shay Waterworks Park.

Councilperson Hegedus stated that he has received the same input as Councilperson Holdorphp. While he thinks the District Library / Community Center is good for the City. The Shay Waterworks Park is not a good location based upon the input he has received.

Councilperson Johnston stated that she supports the District Library, has also received a lot of input not favorable to the Shay Waterworks Park location.

#7876 – Motion by Heinz, second by Holdorphp, to deny use of the Shay Waterworks Park for locating the proposed District Library / Community Center Building.

Ayes – 5
Nays – 0

Motion carried.

B. Resolution to Set City of Harbor Springs Poverty Exemption Guidelines

City Manager Richards stated that City Council has to adopt the poverty guidelines for the Board of Review to use each year if an application is received. The last year that the City gave a “Hardship Exemption” was in 2009 or 2010. Since no applications have been submitted, City Council has not had to adopt new poverty guidelines. To prepare for the Board of Review the City Council is being asked to approve the proposed “Resolution to Set City of Harbor Springs Poverty Guidelines” (the “Resolution”), which provides for a formula to adjust the City’s poverty guidelines each year administratively without an annual City Council approval. The City has set its poverty guidelines income levels at twenty (20) percent over the federal guidelines. The Resolution calls for the City Staff to calculate the City’s annual poverty guideline income levels at one hundred twenty (120) percent of the annual federal guideline income levels.

Council discussed this issue briefly. The following motion was offered:
#7877 – Motion by Johnston, second by Heinz, to approve the “Resolution to Set City of Harbor Springs Poverty Guidelines”, which provides for a formula to adjust the income levels within the City’s poverty guidelines.

Ayes – 5
Nays – 0

Motion carried.

C. Resolution Authorizing Issuance of 2012 Refund Bonds (LTGO)

City Manager Richards stated that the City’s Financial Consultants, Bendzinski & Co., has determined that the City could save approximately $80,000 over the next ten (10) years if the City Hall / Police Station Building Authority Bonds were refunded. The maximum authorized amount of bonds would be $900,000.

City Council discussed this issue. After the discussion, the following motion was offered:

#7878 – Motion by Hegedus, second by Holdorph, to approve the “Resolution Authorizing Issuance of 2012 Refunding Bonds (LTGO)”. 

Ayes – Hegedus, Heinz, Holdorph, Johnston and Dika
Nays – None

Motion carried.

D. Request by Harbor Springs Car Care to Move Plowed Snow to the Right-of-Way

City Manager Richards stated that Harbor Springs Car Care has been plowing their snow and putting it on the right-of-way on the north side of East Lake Street by the Car Wash. City Manager Richards noted that the practice has been questioned in the past, but has advised Dan Warner, owner of Harbor Springs Car Care, to discontinue the practice based upon the Section 40.101 of the City of Harbor Springs City Code.

Richards stated this issue is before City Council because the City Code has to be administered uniformly. If there is to be an exception, Warner needs to request that from the City Council. Warner questioned why this has become an issue. As he stated in his letter to City Council, he has been doing this since 1993 and the practice of moving snow across the East Lake Street for over fifty (50) years.

Councilperson Holdorph stated that he would prefer to have the snow piled up on the north of East Lake Street rather than the northeast corner of the Harbor Springs Car Care lot has it had been done for many years. Councilperson Holdorph stated that he would like to work something out, if possible.

City Attorney Ramer stated that an agreement could be worked out with Warner to move the snow on the north side of East Lake Street. City Manager Richards stated that to keep the line of sight open he would recommend that the snow pile should be limited to three (3) feet. Councilperson Holdorph stated that when cars are parked in the off street parking area, they also block the line of sight. They are about five (5) feet high. City Attorney Ramer stated that the agreement could set a maximum height of five (5) feet before Warner would have to have the snow removed from the right-of-way. Warner stated he could work with that requirement.
It was the consensus of City Council to have City Attorney Ramer draft an agreement for the storing of snow moved to the north side East Lake Street, piled up to a maximum height of five (5) feet, at which time the snow would have to be removed at the cost of Harbor Springs Car Care.

E. Resolution to Endorse the Full Allocation of Funds by the Army Corps of Engineers for On-going Dredging Activities from the Harbor Maintenance Trust Fund

City Manager Richards stated that the City of Grand Haven is requesting communities along the Lake Michigan adopt resolutions endorsing the full allocation of the Harbor Maintenance Trust Fund established by the U.S. Congress to fund dredging activities by the U.S. Army Corps of Engineers. Due to the low lake levels, many harbors owned and operated by municipalities need dredging to permit commercial and recreational boat traffic to use their harbors and marinas.

City Manager Richards recommended that Council approve the “Resolution to Endorse the Full Allocation of Funds by the Army Corps of Engineers for On-going Dredging Activities from the Harbor Maintenance Trust Fund”.

#7879 – Motion by Heinz, second by Holdorph, to approve the “Resolution to Endorse the Full Allocation of Funds by the Army Corps of Engineers for On-going Dredging Activities from the Harbor Maintenance Trust Fund”, which endorses fully funding the dredging activities in the Harbors and Marinas in the Great Lakes.

Ayes – 5
Nays – 0

Motion carried.

5. Manager’s Report

A. Stadium Well Rehabilitation

City Manager Richards stated that the contractor was on site to rebuild the well. The project is anticipated to continue through this week.

B. Downtown Water Project Construction

City Manager Richards stated that the bids were opened last Thursday and Friday for the East Main Street water and sewer projects. The bids appear to be approximately twenty (20) percent under the Engineer’s estimates. While the “early completion incentive payments could affect the final costs of the projects, the Engineers and the City Staff is very pleased with the competitive bids received thus far.

C. Downtown Analysis and Planning

City Manager Richards stated that the “Request for Proposal” (RFP), with the assistance of the Northern Lakes Economic Alliance, has been completed and sent out. Over twenty-five (25) consultants were recommended for consideration. The RFP will also be advertised in the American Planning Association’s publications and website. The analysis, development and initial plan is expected to be completed in August so that it will have input from both out year round and summer residents.
D. Main Street Christmas Tree

City Manager Richards stated that due to the request from the Harbor Springs Area Chamber of Commerce, the Christmas Tree is scheduled to taken down just after Presidents Day Weekend. Leaving it up until then will allow time for the advertising executives to view the Christmas Tree when they are here putting together the Pure Michigan Campaign.

E. Personal Property Tax Removal

City Manager Richards stated that the Michigan Municipal League (MML) has requested that local governments and schools address this issue with lawmakers representing constituents in our respective areas. The MML does not object to personal property taxes being removed. They do, however, object to personal property taxes being removed with being replaced by a stable revenue source.

F. Department Reports

City Manager Richards stated that the Electric and the Police Department Reports were included in the City Council packets.

G. City Manager’s Travel Schedule

City Manager Richards stated that he has a Tuesday meeting in Kalkaska, a Wednesday meeting in Lansing for the MPPA, a Thursday meeting in Lansing for the MMEA, and a Friday meeting in Traverse City on the Combustion Turbine Plant.

H. Website Update

The City’s website is up and running. The website is now under local control. It will be maintained and updated by the City Staff (primarily the Administrative Assistant). Should there be any questions, contact the City Manager or Administrative Assistant.

I. Deer Park Information

City Manager Richards stated that he has discussed the Deer Park information with Janice Elliott.

6. Boards and Commissions

A. Appointments

Mayor Dika stated that he had no appointments this evening.

B. Planning Commission (PC)

Mayor Dika stated the next PC meeting is scheduled for 6:00 p.m., Thursday, February 16, 2012 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.
C. Zoning Board of Appeals (ZBA)

Mayor Dika stated that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, March 14, 2012 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

D. Downtown Development Authority (DDA) Board

Mayor Dika stated that the next DDA Board Meeting is scheduled for 8:00 a.m., Wednesday, March 21, 2012 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

E. Next Council Meeting

The next regular City Council meeting is scheduled for 7:00 p.m., Monday, February 20, 2011 in the City Council Chambers.

7. Old and New Business

A. Visibility Along State Road

Councilperson Holdorph asked City Manager Richards to look into the visibility issue on State Road. When traffic is turning on State Road from the Leighton Park Subdivision from Clark, Perry and Fairview Streets, the line of vision is blocked by the trees planted in the right-of-way. City Manager Richards stated that he would investigate the issue.

B. Fixtures for Green Spaces

Councilperson Holdorph stated that if the Budget would allow, he would like to see more benches and tables in the parks, especially along the waterfront. It appears the number of benches and tables have been reduced over the years. City Manager Richards stated that he would look into this issue.

C. Mutt Mitts

Councilperson Hegedus noted that many people visiting Harbor Springs are taking extra mutt mitts to take them home to their communities. City Manager Richards stated he would have the DPW make sure the mutt mitt dispensers are full. It may be difficult to police the number mutt mitts people are pulling out of the dispensers.

D. Petoskey Library Agreement

Councilperson Johnston stated that the agreement for library service from the Petoskey Library is coming up for renewal. Judy Harvey, Chairman of the Friends of the Harbor Springs Area District Library, stated that the Petoskey Library will want the municipal units to pledge the equivalent of 0.4000 mills of their taxable values to pay for the services beginning this year.

Councilperson Johnston stated that an agreement will need to be made with Alanson Littlefield Library or the Cheboygan Library. They will be able to utilize the penal fine money from the State of Michigan.
8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 8:19 p.m.

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Ronald B. McRae, City Clerk

Approved: February 20, 2012

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Alan J. Dika, Mayor