

February 15, 2016

Mayor Pfeifer called the eighth 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 and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#8326 – Motion by James, second by Dika, to approve the minutes of the February 1, 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>
8329	WIRE	MPPA 2/2/16	Electric	\$ 27,439.13
8330	Payouts	1/16-1/31/16	Trust	\$ 250,085.70
8331	WIRE	MPPA 1/27/16	Electric	\$ 43,554.66
8332	Payroll	P.P.E. 2/7/16	General	\$ 40,108.18
			Major St.	4,048.03
			Local St.	2,090.01
			Historical	560.88
			Electric	10,338.36
			Water & Sewer	3,346.27
			Waterfront	1,371.67
			Equipment	2,773.12

<u>Voucher Number</u>	<u>To or For</u>	<u>Description</u>	<u>Fund</u>	<u>Amount</u>
8333	A/P	Council 2/15/16	General	\$ 24,034.48
			Historical	47.88
			Electric	95,001.75
			Water & Sewer	56,813.45
			W.T. Water	5,466.70
			Waterfront	17,934.59
			Equipment	3,524.66

THEREFORE, BE IT RESOLVED that claims on vouchers 8329, 8330, 8331, 8332 and 8333 as checked by the Finance Committee, in the amount of \$588,539.52 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	\$ 64,142.66
Major St.	4,048.03
Local St.	2,090.01
Historical	608.76
Electric	176,333.90
Water & Sewer	60,159.72
W.T. Water	5,466.70
Waterfront	19,306.26
Equipment	6,297.78
Trust	250,085.70
Totals	\$ 588,539.52

#8327 - Motion by James, second by Cupps, to approve the bills in the amount of \$588,539.52.

Ayes – 5
 Nays – 0

Motion carried.

3. Citizen Comments

Robert Kieliszewski, 698 Washington Street, complimented the DPW crew for their work on the snow removal efforts.

City Manager Richards stated that an e-mail from Cally Pirrung was received concerning the Deer Park. She advocated closing the Deer Park and not let this issue wait until the November 2016 General Election for a resolution.

4. City Manager's Section

A. Vehicle Replacement for the Police Department

City Manager Richards stated that the replacement of a police vehicle was budgeted for 2016. The 2005 Chevrolet Impala police car was budgeted to be replaced in 2016 at the estimated cost of \$27,000, plus \$8,000 for the removal of equipment from the old vehicle and the replacement and installation of the equipment on the new vehicle.

Two bids were received for the new police vehicle. They were:

- Brown Motors in the amount of \$27,108; and,
- Signature Ford in the amount of \$26,618.

The difference is \$490. Brown Motors is a local business and Signature Ford, in Owosso, MI is the MI-Deal (the State of Michigan Purchase Program) vendor.

City Manager Richards stated that the City Staff could go either way on buying from Brown Motors or Signature Ford. The equipment changeover will be done by Priority One Emergency.

Council discussed the issue of supporting a local business or buying through the State Purchasing Program. After the discussion, the following motion was offered:

#8328 – Motion by James, second by Dika, to purchase the Ford Interceptor from Brown Motors at their bid price of \$27,108.

Ayes – 5

Nays – 0

Motion carried.

B. Authorization to Open an Investment Account with Edward Jones

City Manager Richards stated that City Clerk McRae has requested approval from City Council to open an investment account with Edward Jones. City Clerk McRae stated that he met with Tim Knapp, the Edward Jones representative on East Third Street. City Clerk McRae stated that Knapp was provided a copy of the City's investment policy. Knapp believes that he can work within the City's investment policy to place some of the City's reserve cash in an investment that works with the City's investment policy.

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

#8329 – Motion by James, second by Cupps, to authorize the City Clerk to open an investment account with Edward James, which would conform to the City's Investment Policy and Public Act 20 of 1943, as amended.

Ayes – 5

Nays – 0

Motion carried.

In response to a question from Mayor Pfeifer, City Clerk McRae clarified the members of staff who hold the following titles:

- City Deputy Treasurer – Janet Hendricks
- City Deputy Clerk of Elections and Administration – Tina Honeysette
- City Deputy Clerk of Finance – Patricia Vorce-Sutton

There was no further action on this issue.

C. Authorization to Use E-Connect Direct

City Manager Richards stated that City Clerk McRae has requested that City Council authorize him to use an investment tool called "E-Connect Direct", which is offered through Multi – Bank Securities. City Manager Richards stated that this investment tool, if used appropriately, will allow the City Clerk to review investments more efficiently.

City Clerk McRae stated that E-Connect Direct is designed to work within the boundaries of the City's investment policy. However, it should be much quicker because this investment tool lists the various investments and the bank that is offering the investment. Further, this investment tool makes Multi-Bank Securities responsible for the compliance of Public Act 20 of 1943, as amended.

City Clerk McRae stated that he had an opportunity to try out this investment tool on a webinar. It was very quick and the offerings were very visible.

#8330 – Motion by Dika, second by James, to authorize the City Clerk to use the investment tool E-Connect Direct through Multi-Bank Securities, staying in conformance with the City's Investment Policy and Public Act 20 of 1943, as amended.

Ayes – 5
Nays – 0

Motion carried.

D. Knights of Columbus Fundraisers

City Manager Richards stated that he received a letter from Kim Krieger, the Grand Knight of the Harbor Springs Knights of Columbus (the "KoC"), Council #15021. Krieger is requesting approval to hold the annual Tootsie Roll Fund Drive in March and in October.

Robert Shagonaby, a Past Grand Knight, provided a letter requesting that the spring Tootsie Roll Fund Drive be authorized for Palm Sunday weekend, March 18, 19 and 20, 2016 and Columbus Day weekend, October 7, 8 and 9, 2016 at the following business locations:

- Gurney's Bottle Shop;
- Kelbel's Pharmacy;
- Harbor IGA;
- Meyer Ace Hardware; and,
- The Pet Pantry.

Also, the KoC would like to stand on the public sidewalk at the northwest corner of State and Main Street.

Shagonaby stated that the KoC does not sell the Tootsie Rolls, but requests a contribution. The Tootsie Rolls are then given as a thank you for the contributions.

Council discussed this request briefly. After the discussion, the following motion was offered:

#8331 – Motion by James, second by Dika, to authorized the City Manager to approve the Harbor Springs Knights of Columbus Council #15021 to hold their Tootsie Roll Drive, as requested.

Ayes – 5
Nays – 0

Motion carried.

E. Poll Workers for the Presidential Primary Election

City Manager Richards stated that City Clerk McRae has submitted a list of poll workers for the Presidential Primary Election, March 8, 2016. There will be eight poll workers, four (4) in the a.m. and four in the afternoon. Each of the poll workers will receive \$75 for their half day shifts.

If there is training, the poll workers will be reimbursed for mileage and paid \$10 per hour to attend. The Chairman of the poll workers will be Tina Honeysette, the City's Deputy Clerk of Elections and Administration. Also, the City will provide the meals for the poll workers. The following individuals will work the election:

A.M. Shift: Eleanor Cupps
Robert Kieliszewski
Laura Kieliszewski
Robert Thoma

P.M. Shift: Madeline Heinz
Terry Thoma
Marge Owen
Bill Owen

Marge Owen and Terry Thoma will serve on the Election Receiving Board. Both Tina Honeysette and Patricia Vorce-Sutton will be on-hand to check voter registrations, if there are any questions. City Clerk McRae stated that he would be available if there were any issues that he would need to address.

#8332 – Motion by James, second by Cupps, to authorize the City Clerk to appoint the poll workers and compensate them, as presented.

Ayes – 5
Nays – 0

Motion carried.

5. City Manager's Report

A. Lyric Theater Liquor License Options

City Manager Richards stated that the Lyric Theater developers have inquired about the liquor license options that might enable them to serve beer and or wine to theater patrons. If the Lyric Theater developers find an option that they wish to pursue, City Council may be asked to give its approval to the Liquor Control Commission.

B. Website – Council Member E-Mails

City Manager Richards stated that the forwarding e-mail addresses for Mayor Pro-Tem Dika, Councilperson James and Councilperson Bugera are now on the City's Website can be reached by official e-mails without revealing their personal e-mail addresses.

C. Hillside Senior Housing

City Manager Richards stated that there have been discussions with the Hillside management regarding their desire to propose a "Payment in Lieu of Taxes" to reduce the impact of property tax costs on the financial viability of their project. Hillside is working on a presentation and proposal for consideration at a future City Council meeting.

D. Baseball Field Lease

City Manager Richards stated that he and Mark Tompkins, Superintendent of the Harbor Springs School District, have been having discussions regarding a potential lease agreement of park property containing a baseball field which the High School uses for their baseball games. The School District is considering the potential use of "sinking fund" monies for improvements. The School District would like to make improvements to the baseball field facilities. However, regulations for the School District require that the property be owned by, or be under a lease agreement in order to use the funds.

City Manager Richards stated the he and City Attorney Ramer are reviewing a proposed lease agreement that will be presented to City Council for consideration at the March 7, 2016 City Council Meeting.

E. Enbridge Line 5 Meeting

City Manager Richards stated that a representative of Enbridge Corporation met with Mayor Pfeifer, Mayor Pro-Tem Dika, and himself. The meeting discussion centered on providing information and answering questions about the safety of Line 5 under the Straits of Mackinaw. City Manager Richards stated that if there was a request for any of the information received, he would provide the information.

F. Joint Parking Committee

City Manager Richards stated that the Downtown Development Authority (the "DDA") and the City Council have appointed two members from each board to serve on the "Joint Parking Committee". The Planning Commission will probably appoint two members from their Board on Thursday evening, February 18, 2016.

City Manager Richards stated that two other interested community members have expressed an interest in attending and contributing at the committee meetings. As yet, there are no committee meetings scheduled.

G. EPA Carbon Emissions Regulations

City Manager Richards stated that the U. S. Supreme Court has issued a stay, blocking the planned implementation of new EPA regulations on carbon dioxide emissions from electric generating plants. The new regulations would have imposed new and severe limits, potentially causing numerous power plants to shut down because of the lack of commercially viable technologies to reduce the carbon emissions associated with climate change. City Manager Richards stated that the electric utility operators filed for court action, urging the court to halt enforcement of the new rules until there is a clear understanding of the potential impact of the new regulations on the electric industry and its customers.

H. Election Financing "Gag Rule"

City Manager Richards stated that the Michigan State House of Representatives are considering a new bill to "fix" the new and severe restrictions on the information that publicly funded organizations can provide about ballot issues. City Manager Richards also stated that he has contacted Representative Chatfield. Representative Chatfield is being urged to support changes that would lift the unfair restrictions on local governments that need to provide factual information about ballot issues. City Manager Richards stated that a District Court Judge has issued a preliminary injunction to temporarily block enforcement of the new restrictions that would have prevented communities from informing voters about issues on the March ballot.

I. Harbor Way

City Manager Richards stated that H.A.R.B.O.R., Inc. Director Rachel Smolinski has advised donors that the required funding has been achieved to complete the engineering on the proposed Harbor Way multi-use trail between the Little Traverse Wheelway and the City's downtown and waterfront. It is expected to have the engineering contracted in the coming weeks.

J. Upcoming Board and Commission Meetings

City Manager Richards stated that the City's Boards and Commissions will be meeting, as follows:

- The Planning Commission will meet at 6:00 p.m., Thursday, February 18, 2016;
- The Zoning Board of Appeals will meet at 5:30 p.m., Wednesday, March 2, 2016; and,
- DDA/PSD Board will meet at 8:00 a.m., Thursday, March 3, 2016.

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 7:25 p.m.



Ronald B. McRae, City Clerk

Approved: March 7, 2016



Pringle Pfeifer, Mayor

City of Harbor Springs

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Frederick W. Geuder, City Manager
Ronald B. McRae, City Clerk/Comptroller/Treasurer
Daniel J. Branson, Chief of Police
Lucas VanderZee, Director of the DPW
Dennis A. Kruzel, Director of Electric Distribution
C. Jeffrey Grimm, Assessor / Planning and Zoning Administrator

Pringle Pfeifer, Mayor
Alan J. Dika, Mayor Pro-tem
Matthew Bugera, Council Member
John L. Cupps, Council Member
Jeffrey V. James, Council Member

RESOLUTION TO OPEN AN INVESTMENT ACCOUNT WITH EDWARD JONES, February 15, 2016

WHEREAS, The City of Harbor Springs (hereinafter referred to as the "City") desires to maximize its interest earnings; and

WHEREAS, The City maintains its cash reserves in various banking institutions pursuant to the City's investment policy; and

WHEREAS, an authorized agent of Edward Jones, 115 East Third Street, Harbor Springs, MI 49740, will sign a statement stating that Edward Jones will comply with Public Act 20 of 1943, as amended, and the City's Investment Policy.

NOW THEREFORE BE IT RESOLVED THAT the City Council of the City of Harbor Springs authorize the City Clerk / Comptroller / Treasurer to invest a portion of the City's cash reserve funds in an investment instrument with Edward Jones, pursuant to Public Act 20 of 1943, as amended, and the City's Investment Policy when prudent; and

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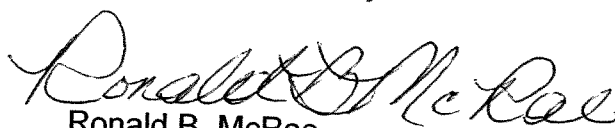
BE IT FURTHER RESOLVED THAT the City Council of the City of Harbor Springs authorize the following City Officers to be signatory to the investment instruments at Edward Jones:

1. City Clerk / Comptroller / Treasurer,
2. City Deputy Treasurer,
3. City Deputy Clerk of Elections and Administration, and
4. City Deputy Clerk of Finance;

And that the aforementioned City Officers supply a specimen signature, and that failure to supply a specimen signature with this resolution will not invalidate any transaction if the transaction is ordered in accordance with authority actually granted by this resolution.


Ronald B. McRae
City Clerk/Comptroller/Treasurer

BE IT FURTHER RESOLVED THAT the City Clerk be authorized to purchase investments through Multi-Bank Securities, as long as said investments meet the requirements as set forth in the City's Investment Policy.


Ronald B. McRae
City Clerk