March 7, 2011

Mayor Dika called the eighth meeting of the seventy-ninth Harbor Springs City Council to order at 7:02 p.m., in the City Council Chambers at 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum

Present: Alan Dika, Alan Hegedus, Cecelia Johnston and Pringle Pfeifer

Absent: Frederick Holdorph

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, City Assessor/Zoning Administrator C. Tim Grimm, Police Officer David Heater and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

It was noted that the following corrections need to be made:

1. On Page 3, Item 4C, second paragraph, first sentence reads, “...through any other methodology other than...” It should read, “...through any methodology other than...”

2. On Page 4, Item 4D, first paragraph, first sentence reads, “...H.A.R.B.O.R., Inc received a grant for the construction of the non-motorized trail between the end of the City’s sidewalk on the west side of Hoyt Road north of East Lake Street to the soccer fields at the southeast corner of the intersection of Hoyt Road and Quick Road.” It should read, “...H.A.R.B.O.R., Inc. received a grant for the construction of the non-motorized trail between the end of the City’s sidewalk on the west side of Hoyt Road north of East Lake Street north to the intersection of Hoyt Road and Forest Way north of Quick Road.

3. On Page 4, Item 5B, second paragraph, the second sentence reads, “City Council members present came to the consensus...” It should read, “City Council members came to the consensus...”

4. On Page 5, Item 5D, the sentence reads, “...compromise on a new lease agreement for the public use of the Hotel Janelle Parking Lot Lease.” It should read, “...compromise on a new lease agreement for the public use of the Hotel Janelle Parking Lot.”

5. Page 6, Item 7A, second sentence reads, “Their project is now complete and very happy with their remodeling layout.” It should read, “Their project is now complete and they are very happy with their remodeling layout.”

#7780 – Motion by Pfeifer, second by Hegedus, to approve the February 21, 2011 regular City Council meeting minutes as amended.

Ayes – 4
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:
Voucher Number | Description                      | Fund Name        | Amount     |
----------------|----------------------------------|------------------|------------|
7708            | Payroll Ending 2/27/11           | General Fund     | $33,311.83 |
                 |                                  | Major St. Fund   | 613.45     |
                 |                                  | Local St. Fund   | 331.35     |
                 |                                  | Historical Fund  | 560.88     |
                 |                                  | Electric Fund    | 10,078.25  |
                 |                                  | Water/Sewer Fund | 6,837.32   |
                 |                                  | Waterfront Fund  | 961.46     |
                 |                                  | Equipment Fund   | 4,251.58   |
7709            | Accounts Payable 2/28/11         | Trust            | $72,789.27 |
7710            | Accounts Payable Council 3/7/11  | General Fund     | $43,143.14 |
                 |                                  | Major St. Fund   | 0.00       |
                 |                                  | Local St. Fund   | 0.00       |
                 |                                  | Police Reserve Fund| 0.00  |
                 |                                  | Historical Fund  | 41.00      |
                 |                                  | Electric Fund    | 6,002.48   |
                 |                                  | Water & Sewer Fund| 234,911.96 |
                 |                                  | WTTP Water Fund  | 4,637.30   |
                 |                                  | Waterfront Fund  | 976.96     |
                 |                                  | Weather Buoy Fund| 0.00       |
                 |                                  | Equipment Fund   | 1,157.72   |

#7781 – Motion by Hegedus, second by Johnston, to approve the bills in the amount of $420,605.95.

Ayes – 4
Nays – 0

Motion carried.

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7708, 7709 and 7710, checked by the Finance Committee, in the amount of $420,605.95 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                  $76,454.97
Major Streets Fund            613.45
Local Streets Fund            331.35
Police Reserve Fund           0.00
Historical Fund               601.88
Electric Fund                 16,080.73
Water & Sewer Fund            241,749.28
West Traverse Water Fund      4,637.00
Waterfront Fund               1,938.42
Weather Buoy Fund             0.00
Equipment Fund                5,409.30
Trust Fund                    72,789.27
Farmers’ Market Fund          0.00

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Total                         $420,605.95
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3. Citizen Comments

Sheryl McCleery stated that City Council directed the dog park supporters to find out how the deer in the Deer Park would react and adapt to having a dog park very near. McCleery introduced Dave Zehnder, a local veterinarian, who would address this issue. Zehnder stated that it was his opinion that the deer would adapt very easily to dogs in the proposed dog park. Zehnder stated that he also questioned MacDonald, the other veterinarian at Bay Pines Veterinarian Clinic. Zehnder stated that MacDonald’s opinion was the same as his was.

Jill Whelan, 524 Fourth Street, stated that the traffic past her house has been moving pretty fast. She believed that the traffic is exceeding the speed limit. Mayor Dika directed City Manager Richards to have Police Chief Branson review the issue.

Rachel Smolinski introduced herself as the new Executive Director of H.A.R.B.O.R., Inc. She stated that she would be attending more City Council meetings in the future.

4. City Manager’s Section

A. Presentation - Harbor Springs Area District Library Board and Friends of the Harbor Springs Area District Library

City Manager Richards stated that the Harbor Springs Area District Library (HSADL) and the Friends of the Harbor Springs Area District Library (the “Friends”) has reviewed some potential sites for a Library to be built. Judy Harvey, representing the Friends of the Harbor Springs District Library, introduced Mark Buday, a local architect. Buday reviewed a power point presentation for City Council showing that two sites were feasible for locating the proposed District Library Building. Site 1 is located in the triangle between the School’s track field and East Lake Street south of East Lake Road and north of Bay Bluffs (the Emmet County Medical Care Facility). Site 2 is located on the north part of Jean Jardine Park and just south of the City Hall’s south parking lot.

Buday reviewed the advantages and disadvantages of both sites. However, the selected site being recommended to City Council was Site 1. Robert Sandford, President of the District Library Board and the West Traverse Township Supervisor, stated that the Friends had made the recommendation to the District Library Board. The District Library Board concurred with the Friends.

City Council discussed this issue. City Council members present concurred that the best location for the District Library Building was Site 1. Mayor Dika asked City Attorney Ramer to work with City Manager Richards and the District Library Board to prepare an agreement providing an option for a long term lease for the property for the location of the District Library Building on Site 1.

B. Assessor’s Report

City Manager Richards stated that the 2011 Assessments are completed and that C. Tim Grimm, the City Assessor, is present this evening to give his report. Grimm reviewed the ratios and multipliers. He then reviewed the Assessed Values” and the “Taxable Values”.

Grimm stated that the Assessed Values were reduced from $297,283,250 in 2010 to $279,890,410 in 2011 for a drop of $17,392,840 or 5.85%. The Taxable Values were reduced from $228,709,485 in 2010 to $226,716,389 in 2011 for a drop of $1,993,096 or 0.87%. These reductions are very modest compared to many other areas of Michigan and many of the Townships in Emmet County.
Grimm further stated that Assessed Values and Taxable Values may change with the Board of Review decisions. However, Grimm stated that the changes would be minimal.

Council discussed the reports with Grimm. Mayor Dika thanked Grimm for his reports and his efforts on behalf of the City.

C. Parking Lot Lease – Hotel Janelle

City Manager Richards stated that the revisions to the “Proposed Lease of the Hotel Janelle Parking Lot” were reviewed by the property owner, City Attorney Ramer, and himself. The proposed “Proposed Lease of the Hotel Janelle Parking Lot” (the “Proposed Lease”) is now being offered to City Council for their consideration.

City Manager Richards stated that the two major changes in the Proposed Lease are:

1. The term of the Proposed Lease is now “month – to - month” instead of a year.
2. The City will pay $180 as an annual lease fee which is a reimbursement of the owners cost of the City’s required property and liability insurance premium.

City Council discussed the Proposed Lease. After the discussion, the following motion was offered:

#7782 – Motion by Pfeifer, second by Johnston, to approve the Proposed Lease of the Hotel Janelle Parking Lot and to authorize the City Manager to execute the said document.

Ayes – 4
Nays – 0

Motion carried.

D. Gaming Resolution Recognizing the Harbor Springs Area Historical Society as a “Not-For-Profit” Organization Operating in the City of Harbor Springs

City Manager Richards stated that the Harbor Springs Area Historical Society (the “HSAHS”) plans to hold a fundraising raffle and has applied for a gaming license through the State of Michigan Charitable Gaming Division. One of the conditions for approval of the Gaming License is to have the Local Unit (municipality) approve a resolution recognizing the applicant as a not-for-profit organization operating within the corporate limits of the Local Unit.

After a brief discussion, the following motion was offered:

#7783 – Motion by Hegedus, second by Pfeifer, to approve the “Local Governing Body Resolution for Charitable Gaming Licenses” which is a resolution recognizing the HSAHS as a not-for-profit organization operating within the City of Harbor Springs.

Ayes – 4
Nays – 0

Motion carried.
E. U. S. Bike Route No. 35

City Manager Richards stated that the Adventure Cycling Association (the “Association”) has agreed to establish the recreational cycling route through Harbor Springs, connecting Little Traverse Wheelway (to the East) to State Road (to the North) by way of East Main Street from the East City Limits east through the downtown business district to State Street north to East Lake Street then east to State Road then north on State Road.

City Manager Richards stated the Association has requested City Council approval of the proposed route through the City of Harbor Springs. Once City Council approves the route, the route will be printed on the maps for the U. S. Bike Route No. 35 and placed in the Association’s website.

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

#7784 – Motion by Pfeifer, second by Hegedus, to approve the U. S. Bike Route No. 35 through Harbor Springs as proposed.

Ayes – 4
Nays – 0

Motion carried.

5. Manager’s Report

A. Federal Loan Delays – Spring Water Projects

City Manager Richards stated that some minor issues have been raised that are affecting the approval of the U. S. Department of Agriculture Rural Water Program loan. They are:

1. Questions about the availability of 2011 funds due to the federal budget stalemate in Washington,
2. Additional clarifications regarding the engineering requirements from the Rural Water Development’s Lansing Office, and

City Manager Richards stated that the availability of this funding for our Spring Water Projects from the Rural Water Program is doubtful. Due to the funding issue, the City Staff is recommending that two critical projects be funded through our cash reserves in the Water and Sewer Fund and the Street Funds. The two projects are:

1. Spring Street from East Main Street south to East Bay Street and
2. East Bluff Drive from State Street east to Spring Street, then Spring Street north to Summit Street.

The Spring Street project was chosen because it is the last intersection needing to be completed before the Main Street work can be completed in 2012 and because of the deterioration of the street. The East Bluff Drive project is also a priority because of the suspicion of significant underground leaks in this section of the water system.
City Manager Richards stated that he plans to approve the solicitation of competitive bids, unless there are City Council objections to move forward with the Water System Improvements. Mayor Dika asked City Clerk McRae if there were sufficient monies to make the improvements from the Street and Water and Sewer Funds. City Clerk McRae responded that there were sufficient cash funds on hand, but the Water and Sewer Fund would have less than $150,000 in reserve cash after it pays for the spring projects. There were no City Council objections.

B. Memorial Day Parade Parking Request

City Manager Richards stated that the American Legion Post No. 281 has requested that the City authorize “no parking” along the parade route. This would be consistent with the Fourth of July Parade.

City Manager Richards stated that he plans to direct Police Chief Branson to prohibit parking along the Memorial Day Parade route until after the parade, which should be over by 11:00 a.m., unless there were Council objections. There were no Council objections.

C. Michigan Municipal Electric Association – Meeting with Federal Legislators

City Manager Richards stated that he represented the City of Harbor Springs and the Municipal Electric Utilities from Michigan in Washington, D.C. He met with Senator Levin, Representative Benishek, and staff members of Senator Stabenow and other representatives in Municipal Power districts. The meetings were on the utilities concerns about restraining the U. S. Environmental Protection Agency from imposing extreme new regulations that can not be economically or realistically complied with in the short term.

City Manager Richards stated that he believed that the legislators seemed very receptive with the concerns of the Municipal Utilities. There also appeared to be support for restraining the Federal Energy Regulatory Commission from approving a “socialized” strategy that would require Michigan customers to pay for new regional transmission lines for renewable energy that would be of no benefit to Michigan customers because the transmission lines would bypass Michigan.

While meeting with the legislators, City Manager Richards stated that he also urged them to avoid cutting the funds for the Rural Development Water and Sewer financing program that the City is hoping to use to finance the City's water reliability projects.

D. Firearm Regulations – Coordinating with State Law

City Manager Richards stated that he provided City council with a memorandum from City Attorney Ramer which outlines the current status of the City's firearm regulations and inconsistencies between our local ordinances and those of the State Law. City Manager Richards stated that he was requesting City Attorney Ramer to assist with the City Code revisions that would:

1. Prohibit “brandishing” a firearm in any public space.
2. Prohibit a citizen from carrying a concealed weapon in any public place without a valid permit.
3. Align the City Code with State Law in regards to “possession” of a firearm.
E. Department Reports

City Manager Richards stated that he has enclosed the February 2011 Electric and Police Department Reports for City Council review.

6. Boards and Commissions

A. Planning Commission (PC)

Mayor Dika stated the next PC meeting is scheduled for 6:00 p.m., Thursday, March 24, 2011 (changed from original date of March 17, 2011) in the City Council Chambers.

B. Zoning Board of Appeals (ZBA)

Mayor Dika announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, March 9, 2011 in the City Council Chambers.

C. Next Council Meeting

The next regular City Council meeting is scheduled for 7:00 p.m., Monday, March 21, 2011 in the City Council Chambers.

7. Old and New Business

None

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 8:07 p.m.

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Ronald B. McRae, City Clerk     Alan J. Dika, Mayor

Approved: March 21, 2011
City Council Meeting Minutes
March 7, 2011
Attachments