

March 21, 2016

Mayor Pfeifer called the tenth 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, Police Chief Daniel J. Branson, Assessor / Planning & Zoning Administrator C. Jeffrey Grimm, Director of the Department of Public Works Lucas VanderZee and City Clerk Ronald B. McRae

2. Additional Items to the Agenda

City Manager Richards stated that he would like City Council to consider two additional items for the Agenda. City Council would consider these two items, which are:

- Bids on the Peffer Street and M-119 Storm Drainage Project; and,
- Millage Rate for 2016 property taxes.

It was the consensus of City Council to add the two additional items to this evening's Agenda.

3. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#8337 – Motion by Cupps, second by James, to approve the minutes of the March 7, 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>
8343	Wire	Sales Taxes & Income Tax Withholding	General Electric	\$ 4,479.25 13,039.36

<u>Voucher Number</u>	<u>To or For</u>	<u>Description</u>	<u>Fund</u>	<u>Amount</u>
8344	PAYROLL	P.P.E. 3/6/16	General	\$ 35,420.44
			Major St.	1,027.03
			Local St.	767.69
			Historical	560.88
			Electric	9,605.02
			Water & Sewer	5,033.52
			Waterfront	4,533.53
			Equipment	5,981.68
8345	WIRE	MPPA 3/9/16	Electric	\$ 23,629.90
8346	A/P	PAYOUTS	Trust	\$ 41,448.14
8347	WIRE	MPPA 3/16/16	Electric	\$ 43,132.63
8348	A/P	COUNCIL 3/21/16	General	\$ 16,045.64
			Local St.	1,806.00
			Historical	88.30
			Electric	94,238.71
			Water & Sewer	8,950.69
			Waterfront	280.30
			Equipment	6,707.08

THEREFORE, BE IT RESOLVED that claims on vouchers 8343, 8344, 8345, 8346, 8347 and 8348 as checked by the Finance Committee, in the amount of \$316,775.79 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	\$ 55,945.33
Major St.	1,027.03
Local St.	2,573.69
Historical	649.18
Electric	183,645.62
Water & Sewer	13,984.21
W.T. Water	0.00
Waterfront	4,813.83
Weatherbuoy	0.00
Equipment	12,688.76
Trust	41,448.14
Totals	\$ 316,775.79

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#8338 - Motion by James, second by Cupps, to approve the bills in the amount of \$316,775.79.

Ayes – 5
 Nays – 0

Motion carried.

4. Citizen Comments

None

5. City Manager's Section

A. Department of Public Works – Electric Building Roof Replacement

City Manager Richards stated that in 2016 Budget the roof of the Department of Public Works (DPW) – Electric Building roof replacement was budgeted at a cost of \$135,000. The roof is leaking bad enough that the leaks are causing damage to the inadequate insulation below the roof. The building would be reroofed with an engineered insulated roofing material that will add to the insulation value of the existing below – the – roof insulation.

City Manager Richards stated four local roofing contractors were asked to bid on a long-term solution to the roof problem. Two of the four contractors submitted bids. They were:

- Norm's Roofing and Siding \$110,700
- Bloxsom Roofing and Siding \$106,355

City Manager Richards stated the Bloxsom Roofing and Siding proposed a second option at an additional cost of \$24,440, which increased their bid to \$130,795. The option was to add an additional 1.5 inch layer of insulation bringing the total insulation value to R23.

City Manager Richards stated that Staff recommends going with the bid of Bloxsom Roofing and Siding at \$130,795.

#8339 – Motion by Cupps, second by Dika, to authorize the City Manager to approve the bid of \$130,795 to reroof the DPW – Electric Building by Bloxsom Roofing and Siding; further, to authorize the City Manager to execute the contract with Bloxsom Roofing and Siding.

Ayes – 5
Nays – 0

Motion carried.

B. Alcoholic Beverage Service on Public Property by Muer Kitchen – Liquor Control Commission Approval

City Manager Richards stated that the City's approval of the permit to provide sidewalk café service and to permit the serving of alcoholic beverages within the sidewalk seating area requires the applicant to provide documentation of approval from the Liquor Control Commission (the "LCC"). To receive the approval from the LCC, the LCC requires a document from the City which verifies that the applicant has permission to use the municipality owned property for outdoor service.

City Manager Richards stated that in order to prevent a regulatory "chicken or the egg" standoff, with each governmental unit withholding their approval until the other has first provided their approvals, City Manager Richards proposed that the City Council approve issuing a notice to the LCC advising them that Muer Kitchens (subject to the City's Sidewalk Café regulations) has approval to use the public property in front of the restaurant to provide service of alcoholic beverages. City Manager Richards stated that he is confident that the City will not compromise any of its rights to regulate the sidewalk café dining on the public walk way by issuing such approval.

City Manager Richards stated that he recommends that City Council take action to authorize the City Manager to notify the LCC that the City grants Muer Kitchens permission to utilize the municipally owned property in their proposed outdoor service area.

Councilperson Cupps questioned the measurements on the drawing. He believes that the appropriate dimension is ten (10) feet from the building to the curb. City Manager Richards stated that he would verify that there is enough room for the outdoor dining area.

#8340 – Motion by James, second by Cupps, to approve the outdoor dining area, with the condition that there is sufficient room for the pedestrian traffic as approved by the Planning Commission; further, authorize the City Manager to contact the LCC with City Council approval, if there is sufficient space for the pedestrian traffic.

Ayes – 5
Nays – 0

Motion carried.

C. Breakfast in the Park Fund Raisers

City Manager Richards stated that he has received a request from the Harbor Springs Masonic Lodge No. 378, F. & A. M., (the "Lodge") to hold three breakfasts at "Tourist Park". The proposed dates are Sunday mornings:

- June 26, 2016;
- July 24, 2016; and,
- August 28, 2016.

City Manager Richards stated the Lodge has reserved the park from 6:00 a.m. to 1:00 p.m. on each day with serving hours from 8:00 a.m. through noon. The Lodge requests to place promotional signs along M-119 in Tourist Park from Monday through the breakfast on Sunday.

City Manager Richards stated that the proceeds from the Lodge's breakfasts will go to funding various not-for-profit charities in Harbor Springs and scholarships.

8341 – Motion by James, second by Cupps, to approve the use of Tourist Park by the Harbor Springs Masonic Lodge, as proposed.

Ayes – 5
Nays – 0

Motion carried.

D. Peffer Street and M-119 Drainage Project

City Manager Richards stated that the bids were received for the installation of new underground storm drainage facilities at the intersection of M-119 and Peffer Street. City Manager Richards stated that storm water often accumulates in this location causing significant pooling of water and a safety risk for M-119 traffic. The proposed storm drain will move the water and control the outflow to the south side of M-119. The Michigan Department of Transportation has agreed to share in the cost of this improvement, which has been estimated to cost approximately \$8,000.

City Manager Richards stated that the engineered design for the new drain could be accomplished by one of two alternative methods. The methods are:

- A directional bore (which would only require a small excavation at one edge of the road); or,
- An open cut in the road, digging a trench, installing the drain and replacing the affected pavement.

City Manager Richards stated that three local contractors responded with bids for one or both of the methods. The contractors and their bids are:

<u>Contractor</u>	<u>Directional Bore Bid</u>	<u>Open Cut Bid</u>
Northern Excavating	\$7,425	\$17,926
Spierling Trucking	\$9,400	\$15,738
Harbor Springs Excavating	\$13,922	Not Bid

City Manager Richards stated that both Benchmark Engineering and Lucas VanderZee, the Director of the DPW, reviewed the bids. Both recommended accepting the low bid for the Directional Bore from Northern Excavating at the low bid amount of \$7,425. It was noted that the Directional Bore reduces the possibility of damage to the roadway surface and significantly reduces the traffic safety costs.

City Manager Richards also stated that the proposed project is on a State Highway (M-119). Due to that fact, the Michigan Department of Transportation (MDOT) has offered to share in the cost of this project. If MDOT still wants to honor that offer, the City's cost may be reduced to \$3,713.

#8342 – Motion by Cupps, second by Dika, to authorize the City Manager to proceed with the Peffer Street and M-119 Drainage Project by awarding and executing a contract with Northern Excavating at their low bid for a directional bore at \$7,425.

Ayes – 5
Nays – 0

Motion carried.

E. Millage Rates for 2016

City Manager Richards stated that City Clerk McRae and City Assessor Grimm have prepared the analysis of the millage rates which could be levied by City Council on the July 1, 2016 property tax billings. City Manager Richards stated that the City levied 6.1389 mills on the July 1, 2015 tax bills.

City Manager Richards stated that the millage needed to meet the budgeted needs of the City was determined to be 6.0033 mills. If City Council wanted to levy the 6.0033 mills, there is no need for a "Truth in Taxation" public hearing. Based on the taxable value of \$541,537,715 the City would levy \$1,450,023.

City Manager Richards stated that the "Truth in Taxation" roll back factor was calculated to be 0.9898. Therefore, the Truth in Taxation millage rate that could be levied without a public hearing is 6.0762 mills. The tax levy, based on the taxable value of \$541,537,715 would be \$1,467,631.

City Manager Richards stated that the "Headlee" roll back factor was calculated to be 0.9927. City Manager Richards stated that the Headlee millage maximum was calculated to be 6.0940 mills. Based on the taxable value of \$541,537,715 the tax levy would be \$1,471,931. To levy the Headlee maximum millage, the City Council will need to have a Truth in Taxation public hearing.

City Manager Richards stated that the City tried to have a road millage passed in November 2015 during the general election. The question failed by two votes. The City has been transferring \$50,000 per year into the Local Street Fund to pay the City's half of the maintenance costs of the Local Roads. The cash balance in the two Street Funds is down to approximately \$500,000. Should there be a major emergency, there may not be enough money to pay for the needed repairs.

City Council members discussed this issue. It was their consensus to advertise for the Truth in Taxation public hearing which would be held at their City Council Meeting on April 18, 2016.

F. Cancellation of the April 4, 2016 City Council Meeting

City Manager Richards stated that the City Council Meeting scheduled for April 4, 2016 would be held during spring break. City Manager Richards asked City Council Members if they wanted to cancel the April 4, 2016 City Council Meeting.

City Council discussed this issue. It was their consensus to cancel the April 4, 2016 City Council Meeting.

6. City Manager's Report

A. Lead Testing in the City's Water System

City Manager Richards stated that the Michigan Department of Environmental Quality (MDEQ) requires the City to test the lead levels every three years. During 2015 there were no traces found. DPW Director VanderZee stated that the testing in previous years has never shown more than a trace amount. Usually, those trace amounts were found in homes from the era that the lead base solder was used by plumbers, especially during the 1950s and 1960s.

B. Website Upgrades for Recreation and Tree Programs

City Manager Richards stated that the City's Website is being upgraded to include recreation events and tree programs.

C. Lighting in Ford Park

City Manager Richards stated that the Electric Department has built Weque style lights for Ford Park. The lights are a little larger than the typical Weque street lights. City Manager Richards stated the light is directed downward so as to not blind boaters coming in to dock at night. The lights are also LED energy efficient lights.

D. Joint Parking Committee

City Manager Richards stated that the joint parking committee met this morning for approximately an hour and a half. It was clear that they did not favor any pay for parking option. They are discussing options to encourage drivers to use more remote parking locations to free up more on street parking for visitors.

E. Software Server Back-ups

City Manager Richards stated that server back-ups are done nightly to an onsite server and to an off-site server. City Manager Richards stated that our IT Specialist, Andy Frank of Bay Area Computers, has been working on the servers to provide for hourly back-ups of primary software activity.

F. New Pick-up Truck

City Manager Richards stated that DPW Director VanderZee brought the City's newest vehicle down for City Council and the public to view. The vehicle is a four-wheel drive Ford F-150, purchased from Brown Motors.

G. Upcoming Board and Commission Meetings

City Manager Richards stated that the following meetings are scheduled:

- The DDA/PSD Board will be meeting at 8:00 a.m., Thursday, April 7, 2016, in the City Council Chambers.
- The Zoning Board of Appeals will be meeting at 5:30 p.m., Wednesday, April 13, 2016, in the City Council Chambers.
- The Planning Commission will be meeting at 6:00 p.m., Thursday, April 21, 2016, in the City Council Chambers.

7. Appointments

Mayor Pfeifer stated that she had no appointments to make this evening.

8. City Council New and Old Business

None

9. Adjournment

With no further business, Mayor Pfeifer adjourned the meeting at 7:26 p.m.



Ronald B. McRae, City Clerk

Approved: April 18, 2016



Pringle Pfeifer, Mayor