

February 20, 2017

Mayor Brown called the seventh meeting of the eighty-fourth Harbor Springs City Council to order at 7:00 p.m. in the City Council Chambers at City Hall, 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum

City Council:

Present: William M. Brown Jr., Matthew Bugera, John L. Cupps, Jeffrey V. James, Pringle Pfeifer

City Clerk Whitaker stated that a quorum was present.

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, and City Clerk Nick Whitaker

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#8438 – Motion by James, second by Cupps, to approve the minutes of the February 6, 2017 regular City Council Meeting as read.

Ayes – 5
Nays – 0

Motion carried.

B. Approval of Bills

The bills on the following vouchers, as listed below, have been examined. It has been recommended that they be approved for payment from the following funds:

<u>Voucher number</u>	<u>Description</u>	<u>Payment to or for</u>	<u>Fund</u>	<u>Amount</u>
8465	Wire	MPPA 2/8/17	Electric	\$24,743.21
8466	Payroll	P.P.E. 2/5/17	General	\$37,860.45
			Major St.	\$1,268.87
			Local St.	\$805.51
			Historical	\$560.88
			Electric	\$10,361.78
			Water/Sewer	\$5,920.77
			Waterfront	\$715.39
			Equipment	\$7,199.74
8467	Wire	Sales Tax 1/31/17	General	\$6,865.75
			Electric	\$16,614.39
8468	Wire	MPPA 2/15/17	Electric	\$56,305.87

<u>Voucher number</u>	<u>Description</u>	<u>Payment to or for</u>	<u>Fund</u>	<u>Amount</u>
8469	Council	Accounts Payable 2/20/2017	General	\$46,904.47
			Major St.	\$4.28
			Local St.	\$2.14
			Historical	\$159.59
			Electric	\$89,075.86
			Water/Sewer	\$30,137.40
			Waterfront	\$3,318.36
			Equipment	\$7,141.59

BE IT RESOLVED that claims on vouchers 8465 through, and including, voucher number 8469, as checked by the Finance Committee, in the amount of \$345,966.30, 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	\$91,630.67
Major St.	\$1,273.15
Local St.	\$807.65
Historical	\$720.47
Electric	\$197,101.11
Water/Sewer	\$36,058.17
Waterfront	\$4,033.75
Equipment	\$14,341.33
Totals	<u>\$345,966.30</u>

#8439 - Motion by Bugera, second by Pfeifer, to approve the bills in the amount of \$345,966.30

Ayes -- 5
 Nays -- 0

Motion carried.

3. Citizen Comments

None

4. City Manager's Section

A. Michigan Public Power Agency Presentation

City Manager Richards Introduced representatives Patrick Boland and Brent Henry from the MPPA and explained that the agency is a joint action group that helps the City, and many other municipalities, work together to secure power purchasing at the best possible price.

MPPA Director Patrick Boland briefly reviewed the history of why the joint action agency was formed. Boland explained that in the State of Michigan there are forty municipalities operating their own utilities and eighteen of those municipalities are members of the MPPA. Boland further reviewed how the MPPA serves these municipalities through their four components; energy supply, market operations, energy services, and asset ownership. Boland also reviewed the organizational structure of the agency. The agency helps the smaller utilities with the

complexities of the wholesale power market by managing all of the power assets owned by the municipalities and the agency, providing a gateway into the wholesale power market. Boland further stated that currently the MPPA's power supply portfolio consists of 61% from coal fired assets, with the remaining supply from gas, renewables, and purchases in nuclear supply. The MPPA's goal for the 2018-2023 time period is to reduce the coal supply down to 33%, while increasing natural gas and renewables. Additionally, the MPPA helps municipalities keep their energy costs at a steady rate to minimize dramatic cost fluctuations. Boland also reviewed the different types of power purchases and the risk diversification strategy of the agency and its associated municipalities.

MPPA's Bulk Power Manager, Brent Henry, reviewed the breakdown of the City's power assets, explained long term contracting, costs, risks, purchased power agreements, additional transmission costs, purchase approval process, and its policies. Discussion followed about long term purchase agreements versus short term hedging. Henry further explained that the MPPA board has adopted a risk management policy and has created an internal risk management committee that meets regularly to review their strategy, performance, and compliance.

B. Waterfront Recreation Plan

City Manager Richards reviewed the activities leading up to bringing the Waterfront Recreation Plan to Council for its adoption. Richards explained that in order for the DNR to accept the City's plan, for consideration of Waterways Commission grant funding, the plan needs to be adopted by the City Council. The plan brought forth today to Council was unanimously approved by the Harbor Commission at its February 15, 2017 special meeting.

#8440 - Motion by Cupps, second by James, to adopt the Waterfront Recreation Plan as presented.

Ayes – 5
Nays – 0

Motion carried.

C. Upgrades to City Server

City Manager Richards explained the events leading up to determining the reliability of the City's server. The determination was made that replacement of the server, software, hardware, and backup power supplies is necessary at this time. The overall cost of replacement, estimated at \$6,600.00, would be split up between the five different funds that the server supports.

#8441 - Motion by James, second by Cupps, to authorize City Manager Richards to replace the City's server and its associated software needs.

Ayes – 5
Nays – 0

Motion carried.

D. Wake disturbance regulation

City Manager Richards presented the proposed Amendment, relating to wake regulations, as recommended by the Harbor Commission. Discussion followed about the information that was recently presented at the Harbor Commission meeting. Further discussed was the enforceability of the regulations, if the proposed changes were to be approved, specifically relating to the size and type of boat giving the operator the ability to take on additional ballast to create an artificial wake and disturbance for others in the mooring area.

Mayor Brown entertained a motion to accept the Amendment as presented.

#8442 - Motion by Pfeifer, second by Cupps, to approve the Amendment to Section B of the Harbor, Waterfront, and Marina Rules and Regulations.

Ayes – 5
Nays – 0

Motion carried.

E. City Manager Review

Mayor Brown discussed the recent City Manager performance evaluation. Mayor Brown explained that he recently distributed a survey that was completed by all members of the City Manager's direct reports, and that the results of the survey were then reviewed by the Personnel Committee. Mayor Brown explained that based on the results of the survey the Personnel Committee recommends a four percent increase in Richards annual salary. Brown clarified that the increase in pay that Richards received this past January was actually a retro-active increase from January of the previous year, based on the fact that Richards personally chose not to accept the increase in pay at that time due to the fact there were other negotiations going on in the city. City Attorney Ramer stated that the resolution, as presented, to change the rate of pay on Richard's contract also addresses the issue of Richard's residency. City Manager Richard's current administrative agreement stipulates that he should reside within a twenty mile radius of the City. Richard's pending move would take him outside of that limit.

Mayor Brown entertained a motion to approve the resolution to change the contract for City Manager Richards as presented.

#8443 - Motion by Pfeifer, second by James, to approve the resolution to amend the employment contract between the City and the City Manager.

Ayes – 5
Nays – 0

Motion carried.

5. Manager's Report

A. Parks & Recreations Department SK8 Park Staff Changes

City Manager Richards discussed the recent resignations of two key staff positions at the SK8 Park. City Manager Richards further stated that the SK8 Park will therefore be closed for a period of time while the City hires and trains new staff to run a successful operation.

B. M-DOT Notification of Repair and Resurfacing of M-119

City Manager Richards stated that MDOT will begin resurfacing parts of M-119 (Harbor-Petoskey Road). The road repairs will primarily be done at night and not obstruct traffic during the day. Richards stated that MDOT plans for the resurfacing to be completed by Memorial Day weekend.

C. Tourist Park Scheduled Tree Management

City Manager Richards briefly discussed the planned vegetation management in the Tourist Park area. Trimming and removals of vegetation is scheduled to take place earlier than planned due to the mild weather and will ultimately enhance the view from Tourist Park.

D. Garden Club

City Manager Richards stated that he has recently been contacted by the Garden Club regarding their plans to replace eight concrete planting urns due to their deterioration. The locations of the replacement urns will be at the Harbormaster building, Police Station, and Historical Museum. Richards explained that the Garden Club will fully fund the replacements but would like the approval of the City and the DPW.

E. Upcoming Board and Commission Meetings

City Manager Richards stated that the following upcoming meetings will be held in Council Chambers:

- DDA/PSD Board – Thursday, March 2, 2017 at 8:00 a.m.
- Zoning Board of Appeals – Wednesday, March 8, 2017 at 5:30 p.m.
- Planning Commission – Thursday, March 16, 2017 at 6:00 p.m.

6. Appointments

None at this time.

7. New and Old Business

Council Member James asked about motions, how they are passed, and when they might necessitate a roll call vote over a voice vote. Attorney Ramer stated that it depends on the motion being voted on, if the issue is significantly important or if it involves large sums of money.

Mayor Protem Bugera asked about the status of the Harbor Springs Area Chamber of Commerce search for a new Executive Director. City Manager Richards stated that the Chamber has recently conducted their final interviews and has selected Georgia Abbott as their new Executive Director. Georgia will officially begin her new role at the Chamber on March 8, 2017.

Council Member Cupps asked about the recent appointments to the Harbor Commission Board, and the balance of members between the City and surrounding Townships. Discussion followed about the requirement, if any, relative to the balance of members and where they reside.

8. Next Meeting

City Manager Richards stated the next regular City Council Meeting is scheduled for 7:00 p.m., Monday, March 6, 2017.

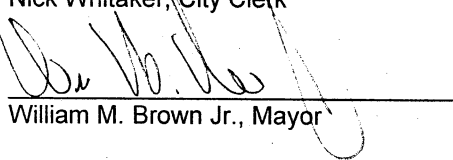
9. Adjournment

With no further business, Mayor Brown adjourned the meeting at 8:18 p.m.



Nick Whitaker, City Clerk

Approved: March 6, 2017



William M. Brown Jr., Mayor

Attachments page

Amendment
To
Harbor, Waterfront and Marina Rules and Regulations
(Approved by Harbor Commission on February 15, 2017)
(Approved by City Council on February 20, 2017)
(Published in the *Harbor Light* on February 22, 2017)

WHEREAS, members of the Harbor Commission have received complaints from permit holders in the Mooring Area that watercraft operating in the Harbor Control Area that generate artificial waves beyond the normal waves caused by such watercraft are causing watercraft in the Mooring Area to unduly and substantially pitch and roll, thereby interfering with the ability of a permit holder to safely work on, use or enjoy the moored watercraft; and,

WHEREAS, the Harbor Commission has studied the issue, and has determined that prohibiting operation of a watercraft in the Harbor Control Area in such a manner that the wake or wave action normally generated by a watercraft of that size is artificially increased, is necessary and advisable for the safety and welfare of the owners of watercraft moored in the Mooring Area;

NOW, THEREFORE, Section B of the Harbor, Waterfront and Marina Rules and Regulations, is amended as follows:

Sections B.17 through B.27 are re-numbered as Sections B.18 through B.28.

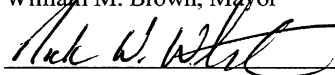
A new section B.17 is adopted to read as follows:

“17. Non-Disturbance of Watercraft in Mooring Area. In order to prevent disturbance of watercraft moored in the Mooring Area, no person shall operate a watercraft in the Harbor Control Area in such a manner that the wake or wave action normally generated by a watercraft of that size is artificially increased by (i) increasing the displacement of such watercraft (e.g., by adding water as ballast to a ballast tank on board said watercraft); or, (ii) by using external equipment such as wedges, hydrofoils or other mechanical devices; or, (iii) by an un-even loading of persons or gear. The operator of any watercraft so operated shall be deemed in violation of this Rule. A violation of this Rule shall be a civil infraction, subject to enforcement as provided in the City Code.”

We hereby certify that the foregoing is a true copy of an Amendment to the Harbor, Waterfront and Marina Rules and Regulations recommended by the Harbor Commission at a regular meeting held on February 15, 2017, and adopted by the City Council of the City of Harbor Springs at a regular meeting held on February 20, 2017.



William M. Brown, Mayor



Nick W. Whitaker, City Clerk

**RESOLUTION
OF
THE CITY COUNCIL OF
THE CITY OF HARBOR SPRINGS
(a Michigan municipal corporation)**

February 20, 2017

WHEREAS, the City Council has reviewed the Third Amendment dated February 20, 2017 of the Amendment and Restatement dated March 1, 2012 of the Contract of Employment dated March 17, 2009 between the City and Thomas C. Richards, City Manager; and,

WHEREAS, the City Council has determined that making this Amendment to the Contract of Employment with the City Manager is appropriate and beneficial to the City of Harbor Springs, and that his annual salary shall be \$102,960; and,

WHEREAS, the City Council has determined that it would be appropriate to permit the City Manager to reside in excess of twenty (20) miles from the City limits;

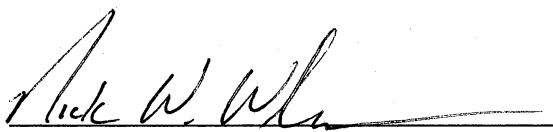
NOW THEREFORE, IT IS RESOLVED that the Mayor is hereby authorized to sign the Third Amendment dated February 20, 2017 of the Amendment and Restatement dated March 1, 2012 of the Contract of Employment dated March 17, 2009 between the City and Thomas C. Richards, City Manager effective as of and retroactive to January 1, 2017; and,

Ayes: 5

Nays: 0

Abstain: NONE

I hereby certify that the above resolution was passed by the City Council of the City of Harbor Springs at a regular meeting held on February 20, 2017.


Nick W. Whitaker, Clerk