

August 3, 2015

Mayor Pfeifer called the sixteenth meeting of the eighty-second Harbor Springs City Council to order at 7:01 p.m., in the City Council Chambers at 160 Zoll Street, Harbor Springs, Michigan.

1. Roll Call and Verification of Quorum

Present: Pringle Pfeifer, John Cupps, Al Dika and Jeff James

Absent: Matt Bugera

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, City Clerk Ronald B. McRae and Administrative Assistant/Deputy Clerk Tina J. Honeysette

City Clerk Ronald B. McRae acknowledged that a quorum was present.

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#8257 – Motion by Dika, second by James, to approve the minutes of the July 20, 2015 City Council Meeting as read.

Ayes – 4

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>
8260	Wire	MPPA 7/21/15	Electric	\$ 34,170.25
8261	A/P	Payouts 7/1-7/15/15	Trust	\$737,310.83
8262	Wire	MPPA 7/28/15	Electric	\$ 33,314.67
8263	Payroll	PPE 7/26/15	General	\$ 43,873.80
			Major St.	345.16
			Local St.	666.72
			Historical	560.88
			Electric	12,319.64
			Water & Sewer	5,733.20
			Waterfront	9,019.16
			Equipment	1,349.45
8264	A/P	Council 8/3/15	General	\$ 21,146.35
			Major St.	326.15
			Local St.	326.15
			Historical	313.46
			Electric	16,280.63
			Water & Sewer	6,991.89
			Waterfront	17,990.24
			Equipment	3,740.63

THEREFORE, BE IT RESOLVED that claims on vouchers 8260, 8261, 8262, 8263 and 8264 as checked by the Finance Committee, in the amount of \$945,779.26 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	\$65,020.15
Major St.	671.31
Local St.	992.87
Historical	874.34
Electric	96,085.19
Water & Sewer	12,725.09
Waterfront	27,009.40
Equipment	5,090.08
Trust	737,310.83
Totals	----- \$945,779.26 =====

#8258 - Motion by Dika, second by Cupps, to approve the bills in the amount of \$945,779.26.

Ayes – 4
Nays – 0

Motion carried.

3. Citizen Comments

None

City Manager Richards shared an email with City Council from Mike Goodlum that expressed his thanks for the beauty and hospitality of Harbor Springs for his daughter's wedding at the Waterfront Park.

4. City Manager's Section

A. Airport Lease Agreement – Consideration of Approval

City Manager Richards stated that the City Council has to approve and authorize any leases or other agreements regarding the Harbor-Petoskey Airport property because the City owns the property. City Manager Richards discussed the terms of the proposed lease agreement with Harbor Hangars, LLC. Further, the Harbor-Petoskey Airport Authority Board has already approved the lease agreement contingent on City Council's approval.

After a brief discussion with City Council, the following motion was offered:

#8259 - Motion by Dika, second by Cupps, to authorize the Mayor and City Clerk to approve and consent to the lease agreement on behalf of the City.

Ayes – 4
Nays – 0

Motion carried.

B. Sidewalk Café Dining – Establish Permit Fees and Insurance Requirements

City Manager Richards discussed the permit fee with City Council. City Manager Richards recommended a \$500 per season fee to cover the City's administrative costs which may be incurred. Council Members questioned the costs that would be incurred to process the permit application and follow up inspections to ensure compliance with all of the permit and ordinance requirements.

Further, City Manager Richards suggested that the insurance requirements be to add the City as an additionally insured with a \$500,000 per occurrence and \$1,000,000 in the aggregate coverage limit for liability. Council Members discussed the coverage limit recommended.

After the discussion the following motion was offered:

#8260 – Motion by Dika, second by Pfeifer, to set the permit fee at \$500 per season to cover the City's administrative costs for sidewalk café dining.

Ayes - 2
Nays - 2 (Cupps and James dissenting)

The City Clerk stated that the motion did not pass.

#8261 - Motion by James, second by Cupps, to set the permit fee at \$350 per season to cover the City's administrative fees for the sidewalk café dining.

Ayes – 3
Nays – 1 (Pfeifer dissenting)

Motion carried.

Motion by James, second by Dika, to set the insurance requirements at \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover the City's liability for the sidewalk café dining.

Ayes – 4
Nays – 0

Motion carried.

C. Paper Station Restaurant – City Approval for Alcoholic Beverage Service on Public Property

City Manager Richards stated that the Liquor Control Commission (the "LCC") requires documentation of the City's approval to permit the serving of alcoholic beverages on municipal owned property before they will consider their approval. The LCC has to approve the serving of alcoholic beverages on municipal owned property. City Manager Richards stated that if the City Council approves the permit to serve alcoholic beverages, contingent on the LCC approval, on public property, the LCC can use that as documentation of the City's recommendation

Mike Naturkus, owner of the Paper Station Restaurant, is requesting approval of a permit to have outdoor dining and to serve alcoholic beverages.

After a brief discussion, the following motion was offered:

#8262 - Motion by Cupps, second by James, to notify the LCC that the Paper Station has council's approval to serve alcohol on municipal property (contingent upon the approval of the City's permit).

Ayes – 4
Nays – 0

Motion carried.

D. Harbor Springs Garden Club – City Hall Plantings Proposal

City Manager Richards stated that representatives from the Harbor Springs Garden Club are present to discuss a proposal to improve the landscaping on the east side of the City Hall and to cover or screen the mineral stains on the east wall near the east entrance to City Hall.

Lauri Rowe, President of the Harbor Springs Garden Club, presented a proposal to City Council to address the costs related to the improvement of the garden and the installation of a trellis at the main (East Side) entrance to City Hall. The costs were estimated at \$1,400 to screen the east wall using a trellis and add climbing hydrangeas. The trellis is used to support the climbing hydrangeas as they grow. Rowe stated after a more thorough review, the proposal should be for approximately \$900. The Harbor Springs Garden Club is asking Council to consider covering the costs of the proposed trellis and hydrangeas at a cost of \$900.00.

After discussing this issue with the Harbor Springs Garden Club representatives the following motion was offered:

#8263 - Motion by Cupps, second by James, to approve the proposed trellis and climbing hydrangeas at a cost of \$900.00.

Ayes – 4
Nays – 0

Motion carried

E. MPPA Long Term Power Purchase – Consideration of Approval

City Manager Richards stated that the Michigan Public Power Agency (the "MPPA") has requested authority to enter into agreements with bulk power marketers for contracts covering portions of the City's future energy requirements for 2017 and 2018. The MPPA Staff proposes to solicit bids and enter into energy commitments of up to one (1) megawatt hour during peak hours at an average price not to exceed \$50 per megawatt hour in 2017 and to purchase up to 0.6 megawatt hour during peak hours at a not to exceed price of \$50 per megawatt hour for 2018.

City Manager Richards stated that our current average cost of bulk power is \$56.20 per megawatt hour. City Manager Richards also stated that the "not to exceed price" is established as a limit based upon the MPPA Staff projections of the price range they anticipate to receive in bids from various competitive providers.

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

#8264 - Motion by Cupps, second by Dika, to authorize City Manager Richards to approve authorizing MPPA to enter into bulk power agreements, which includes the City's requirements, if the bid prices are within the limits proposed by the MPPA Staff at a cost not to exceed \$50 per megawatt hour.

Ayes – 4
Nays – 0

Motion carried.

F. September 7 (Labor Day) Council Meeting – Consider Rescheduling Meeting

City Manager Richards discussed rescheduling the September 7th Council meeting. City Manager Richards proposed Tuesday, September 8, 2015. Due to several conflicts, it was the consensus of City Council to move the meeting to 7:00 p.m., Thursday, September 10, 2015. However, should there be no relevant or important agenda items, the meeting may be cancelled.

G. Tree Board Meeting – Recommendation for More Shade in Upper Zorn Park

City Manager Richards stated that the Tree Board was reviewing more locations for additional shade trees. The Tree Board suggested planting four (4) trees in Upper Zorn Park. Three of the proposed new trees would be along the south sidewalk on West Main Street on the north part of the park. The fourth tree proposed would be in the southeast lower quadrant of Upper Zorn Park.

Councilperson Cupps was not in favor of the fourth tree proposed for the southeast lower quadrant of Upper Zorn Park. Councilperson Cupps suggested that the trees would obstruct the view of the lake. He suggested that the tennis courts were removed to improve the view.

Councilperson James stated that he believed that the Tree Board considers the proposed tree plantings very seriously. Therefore, he offered the following motion:

#8265 – Motion by James, second by Pfeifer, to approve the tree plantings in Upper Zorn Park as proposed by the Tree Board.

Ayes – 3
Nays – 1 (Cupps dissenting)

Motion carried.

5. City Manager's Report

A. Pennsylvania Street Repair

City Manager Richards stated that the excavation and reconstruction of the failed section of Pennsylvania Street was completed by Spierling Trucking on Friday. Within the next few days two other small sections will be repaired.

B. Beach Drive Obstacles

City Manager Richards stated that after letters, notices and meetings with affected property owners, he believes that there is now a consensus and agreement to resolve the location of boulders and hedges which have been placed at the edge of Beach Drive and are in the City's rights-of-way. The obstacles being placed in the City's rights-of-way are in violation of the City's Code.

City Manager Richards stated that a representative of the property owners has advised the City of an agreement that all of the obstacles at the edge of the pavement will be moved within the week. Obstacles farther back from the roadway, but still in violation of the City's Code, will be removed on a timetable agreeable with the City Manager.

C. Wayfinding Analysis – Results

City Manager Richards stated that Corbin and Associates, the firm performing the Wayfinding Analysis and Survey, will be delivering their initial results on Thursday, August 6, 2015 to the Downtown Development Authority/Principal Shopping District (the "DDA/PSD") Board at their 8:00 a.m. meeting.

City Manager Richards stated that Corbin and Associates will make a presentation of their results to the City Council at a mutually agreeable time. City Manager Richards recommends that the presentation be made at the September 21, 2015 City Council Meeting, which would be a joint meeting of the City Council and the DDA/PSD Board.

There were no objections to the joint meeting by City Council Members.

D. Emergency Cell Phones

City Manager Richards stated that Chief Branson learned of a special offer from Sprint, a cellular carrier, to provide a supply of (20) cell phones for use in the event of an emergency or special event. The phones are provided to the City without charge. There is no monthly or recurring charge. The phones will be charged usage fees if they are actually used.

City Manager Richards stated that phones are being provided to the City Manager, Police Chief, DPW Director, Electric Department Director and the Fire Chief. The other fifteen phones will be stored and kept ready for use.

E. Harbormaster Building Design

City Manager Richards stated the Next-Terrane design team has evolved the Harbormaster Building design into a smaller one-building design that is proposed to efficiently wrap around the two electric utility cabinets for a more efficient and modest footprint. City Manager Richards stated the new design minimizes the view obstruction. Additional meetings are scheduled before a more complete design is offered for discussion.

F. Marina Golf Cart – Change of State Rules

City Manager Richards stated that the Michigan State Police has issued new rules, prohibiting golf carts from being licensed for use on City streets. City Manager Richards stated that the Marina Staff has long used a golf cart for the collection of trash from the waterfront and the downtown districts.

City Manager Richards stated the new rules put the City in the position of using the vehicle in a way that is not permitted for any other users. To become compliant with the State rules, the City must take the golf cart off the street or replace it with a vehicle that can be legally licensed. City Manager Richards recommended that the Harbor Commission consider budgeting for a replacement vehicle that can be approved and licensed for use on the City's streets.

G. Food Truck – Parking Conflicts

City Manager Richards stated that during the past week, owners or tenants of a neighboring property have been attempting to block the permitted food trucks from using the parking spaces permitted and licensed on East Bay Street. Vehicles have been deliberately parked to fill all of the permitted spaces.

City Manager Richards stated that temporary no parking signs will be provided to alert the public that parking in the specific parking spaces for the food trucks will not be permitted after 8:00 a.m. The signs will only be posted on dates when the food trucks plan to operate.

H. Parking Policy – Proposed Joint Meeting

City Manager Richards stated that the City's off-street parking policies in the Zoning Code have been the topic of discussion at numerous meetings of the DDA/PSB Board, the Planning Commission and the City Council. City Manager Richards stated that he is proposing a joint meeting be held so that all three bodies can discuss the current state of the City's parking policies, the conflicts that have resulted from those policies and discuss possible solutions that may be considered.

City Manager Richards stated that each body has had its own discussions and perspectives on the parking issues and policies, and there have been opportunities for the members of each group to share opinions with others. City Manager Richards stated that he is recommending that this issue be discussed as part of the September 21, 2015 joint meeting.

I. Northern Lakes Economic Alliance – Sporting Clay Networking Event

City Manager Richards stated the Northern Lakes Economic Alliance (the "NLEA") will be holding their annual Sporting Clays Networking Event on September 11, 2015. City Manager Richards stated that he has been invited to attend and represent the City at this event.

City Manager Richards stated that he is unable to attend and asked if any of the City Council Members would like to attend. There was no immediate response or interest shown by City Council Members.

J. Upcoming Board and Commission Meetings

The following board and commission meetings are scheduled in the City Council Chambers of City Hall, 160 Zoll Street, Harbor Springs, MI 49740:

- DDA Board – 8:00 a.m., Thursday, August 6, 2015.
- Zoning Board of Appeals – 5:30 p.m., Wednesday, August 12, 2015.
- Harbor Commission – 4:00 p.m., Wednesday, August 19, 2015.
- Planning Commission – 6:00 p.m., Thursday, August 20, 2015.

6. Boards and Commissions

A. Appointments

Mayor Pfeifer stated that she had two appointments. They are:

Lynn Glahn to the Board of Review with the term ending date of January 1, 2017 and, Mark Gilbert to the Tree Board with the term ending date of May 1, 2016.

There were no concerns expressed by council members regarding these appointments.

7. City Council New and Old Business

A. Farmers' Market and Road Blockage

Councilperson Cupps stated that he received requests to move the Farmers' Market to the waterfront area by the Harbormaster Building.

Councilperson Cupps stated that he received a complaint concerning State Street being blocked. Police Chief Branson stated that he authorized a crane to block State Street from 7:00 a.m. until 7:45 a.m. Further, Chief Branson stated that when he checked on the crane, it was gone.

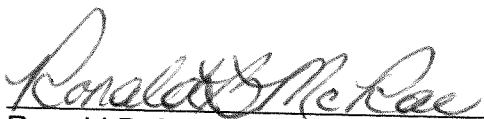
B. Sign to Direct Bike Trail Traffic

Councilperson Dika asked if a small sign could be erected at Hoyt and East Main Street directing bicycle riders to the bike path crosswalk north of East Main Street. Many of the bicycle riders continue east at Hoyt Street and East Main Street past the Bay Bluffs Medical Care Facility to cross at the busy intersection of Lake St. and M-119.

City Manager Richards said the sign recommendation would be addressed by staff.

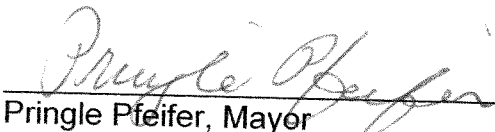
8. Adjournment

With no further business, Mayor Pfeifer adjourned the meeting at 8:08 p.m.



Ronald B. McRae, City Clerk

Approved: August 17, 2015



Pringle Pfeifer, Mayor