

June 19, 2017

Mayor Brown called the fourteenth 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

Absent: None

City Clerk Whitaker stated that a quorum was present.

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Outgoing Police Chief Dan Branson, Incoming Police Chief Kyle Knight, DDA Administrator Rachel Smolinski, and City Clerk Nick Whitaker

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

8480 – Motion by James, second by Pfeifer, to approve the minutes of the June 5, 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</u>	<u>Fund</u>	<u>Amount</u>
8506	Wire	MPPA 6/6/17	Electric	\$49,950.82
8507	Wire	Sales Tax 5/31/17	General	\$4,309.31
			Electric	\$8,246.19
8508	Wire	MPPA 6/14/17	Electric	\$23,649.99
8509	Payroll	P.P.E. 6/11/17	General	\$43,056.11
			Major St.	\$1,234.27
			Local St.	\$248.98
			Historical	\$560.88
			Electric	\$12,913.24
			Water/Sewer	\$5,953.67
			Waterfront	\$5,904.82
			Equipment	\$1,112.65
8510	Council	Accounts Payable 6/19/2017	General	\$52,707.36
			Major St.	\$321.49
			Local St.	\$321.49

Historical	\$184.86
DDA	\$321.49
Electric	\$90,523.98
Water/Sewer	\$21,795.35
Waterfront	\$24,822.97
Equipment	\$6,706.49

BE IT RESOLVED that claims on vouchers 8506 through, and including, voucher number 8510 as checked by the Finance Committee, in the amount of \$354,846.41 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	\$100,072.78
Major St.	\$1,555.76
Local St.	\$570.47
Historical	\$745.74
DDA	\$321.49
Electric	\$185,284.22
Water/Sewer	\$27,749.02
Waterfront	\$30,727.79
Equipment	\$7,819.14
Totals	<u>\$354,846.41</u>

8481 – Motion by Bugera, second by Pfeifer, to approve the bills in the amount of \$354,846.41

Ayes – 5
Nays – 0

Motion carried.

3. Citizen Comments

None

4. City Manager's Section

City Manager Richards stated that prior to beginning the discussions on the numerous agenda items he would like to introduce two of the City's new employees. City Manager Richards introduced Chief of Police Kyle Knight, stating that he completed his first day on the job today and is working alongside retiring Chief Branson until the end of the month, and then introduced Nathan Jacques who is the City's new SK8 Park & Recreation Director and is working to get staff hired and the SK8 Park up and running for the season.

A. Truth In Taxation Public Hearing – Millage Rate

City Manager Richards stated that a Truth in Taxation public hearing was published notifying the public about the proposed millage. Mayor Brown entertained a motion to open the public hearing.

8482 – Motion by Cupps, second by James, to open the public hearing

Ayes – 5
Nays – 0

Motion carried.

Mayor Brown asked if any member of the public had any questions or comments about the millage rate, no public comments were made. City Manager Richards stated that the millage rate for 2017 being proposed is actually a decrease from the rate in 2016. Mayor Brown asked Council if any member saw any reason for not approving the millage rate and entertained a motion to close the public hearing.

8483 – Motion by Cupps, second by James, to close the public hearing

Ayes – 5
Nays – 0

Motion carried.

B. Consideration and Adoption of 2017 Millage Rate

City Manager Richards explained the proposed 2017 millage rate of 6.0604 mills which is a slight decrease from 2016 and will result in an estimate of \$14,000 above what was anticipated for the budget revenue. No objections were made. A motion for a roll call vote was entertained to adopt the 2017 millage rate as proposed.

8484 – Motion by James, second by Brown, to adopt a 6.0604 millage rate for 2017 property taxes.

Ayes – John Cupps, Bill Brown, Matt Bugera, Pringle Pfeifer, Jeff James
Nays – none

Motion carried.

C. Ballot Language – Proposed Special “Street Maintenance” Millage

City Manager Richards explained the proposed recommended ballot language for a special Street Maintenance millage. The special millage would permit an assessment of up to one mill for street maintenance funds and could be adjusted on an annual basis depending upon street fund cash reserves and could be as low as zero, but up to a total of one mill. One mill could raise approximately \$250,000 annually. Further discussion was had about the importance of road and sidewalk maintenance and the need to plan for any unforeseen major road project and how one major road repair could possibly take up the entire balance of the street fund.

8485 – Motion by Cupps, second by James, to approve the ballot language for a special Street Maintenance Fund millage to be submitted for consideration on the November 7, 2017 ballot.

Ayes – 5
Nays – 0

Motion carried.

D. Street Musique – Request for Community Promotion Fund Contribution

City Manager Richards stated that as in years past, the City has made contributions ranging from \$1,000 to \$2,000 to the weekly downtown Street Musique events. Members Cupps and Pfeifer agreed that that it is a great event and brings in business to downtown businesses.

8486 – Motion by Brown, second by Pfeifer, to contribute \$2,000.00 to the Harbor Springs Chamber Foundation to support Street Musique 2017 to be paid from the City’s Community Promotion Fund.

Ayes – 5
Nays – 0

Motion carried.

E. Harbor Springs School District – Proposed Lease Agreement

City Manager Richards briefly reviewed the ongoing discussions about the proposed lease of City owned land to the Harbor Springs Public School District for the use of the baseball fields at Kosequat Park. Harbor Springs Public Schools Superintendent Mark Tompkins reviewed the districts plans for making significant improvements to all of its athletic fields, further stating that because the baseball fields are owned by the City a lease would be required for the underwriting of the bonds, and that due to the timing a decision would be needed by Monday, June 26th in order for the school board to move forward with getting the issue on the November ballot.

Superintendent Tompkins presented the plans to improve the baseball fields at an estimated cost of \$893,000. The plans for the fields include a new parking lot, new concessions, restrooms, and bleachers, and moving the field back to allow for an extended outfield which would allow the district to host tournaments. Tompkins explained re-financing of the 2001 bond, the proposed new millage rate and its effect on the City's taxpayers, and presented the full lease agreement to Council; further explaining the "exclusive use" language required to secure the bonds. In addition to obtaining the required lease from the City, Superintendent Tompkins reviewed many of the other items that the school district still needed to do at this stage.

Member James asked about how the school and City are currently managing the use of the field. Superintendent Tompkins stated that the school maintains the field during the spring when they are using it and that the little league commission maintains it at other times when they are using it. Questions were raised about the districts prior use of the field and if there had ever been a conflict, none could be recalled, however, further discussion followed about exclusive use, and credibility of the school system. Member Pfeifer stated that she did not agree with the exclusive use language. Member James stated that he was in support of the plan. City Manager Richards stated the concerns he and City Attorney Ramer have about the exclusive use language. Attorney Ramer stated his concerns about specifics the proposed lease is lacking; a definition of what area is going to be leased, specification on what improvements are going to be made, schedule of use, and others. Attorney Ramer recommend that Council consider these issues before agreeing to the full lease, and that any decision made this evening would be for approving the language in section six only. Superintendent Tompkins responded to some of those concerns. Discussion followed about alternative plans the district has if the lease is not approved. Superintendent Tompkins stated that he is facing a deadline and that if he does not bring a lease agreement to the school board for their approval by Monday, June 26th the district will not be able to meet the July deadline to get the bond on the November ballot. Member Pfeifer suggested the scheduling of a special meeting for consideration of approving the full lease agreement. Attorney Ramer stated that if the district provides specifics on the defined area of the land being proposed on the lease this could be considered, Superintendent Tompkins agreed.

8487 – Motion by James, second by Cupps, to approve the language in "section 6" of the proposed Harbor Springs Public Schools lease of City owned property and authorized a special meeting of Council to be held on Friday, June 23, 2017 at 9:00 a.m. for consideration of the full lease agreement.

Ayes – John Cupps, Bill Brown, Matt Bugera, Pringle Pfeifer, Jeff James
Nays – none

Motion carried.

F. Funding Proposal – Harbor Springs School District Athletic Master Plan

Agenda item dismissed.

G. Wayfinding Design Implementation Presentation and Funding Approval

City Manager Richards introduced DDA Administrator and HARBOR, Inc. Executive Director Rachel Smolinski who is requesting approval to for the DDA's Special Assessment expenditures. Administrator Smolinski briefly reviewed the Special Assessment, stating that it is a \$365.00 per year special tax on non-residential properties within the City's Central Business District, and is designated for funding three areas, DDA administrative costs, Wayfinding implementation, and Third Street Lighting. Administrator Smolinski presented details on Wayfinding plan, which has been a three-year long process and has now been approved by the DDA for implementation. Smolinski presented the details for the proposed wayfinding signs, and directed Council's attention to the mock-up of a vehicular guide sign displayed outside the building. Administrator Smolinski discussed the design, sizing, colors and proposed locations of the forty-six signs in the three designated districts; Downtown, Uptown, and Waterfront, further stating that the DDA can only fund the signs within the boundaries of the DDA and that the DDA has partnered with the school district for signs in the Uptown district, and with the City for its municipal signs. Smolinski presented a breakdown of the estimated costs of the project stating that the City's portion for phase-one is \$7,500.00, and all phases is \$42,125.00, and that the DDA is only implementing phase-one at this time. Member Pfeifer questioned the total cost of the project. Discussion followed about the need to replace the signage at all of the City's parks, buildings, etc., and that all of the current signs are old and fading. DDA Chairman Mossburg responded stating that Corbin Design, who is the consultant on the project, is a leading firm in the field and has successfully consulted and designed wayfinding signage for other area towns. He pointed out that they were conveniently located in Traverse City.

Tim Knapp, Third Street Committee Chairperson and newly appointed DDA member reviewed the Third Street Lighting Project. Knapp stated that the Third Street Committee was tasked by the DDA to beautify and create a similar aesthetic on Third Street as is on Main and Bay Streets. The Committee, after surveying the community, determined that implementing Holiday Lighting on Third Street would be the project they would focus on. Knapp presented the proposed plan for lighting on twenty of the trees on Third Street and presented a breakdown of the estimated costs for tree trimming, electrical upgrades, and lighting at a total estimated cost of \$36,585.00. Knapp further reviewed the details on the type of lights to be installed and that explained that once the lights are installed they will be left on the trees and maintained for approximately two growing seasons.

Administrator Smolinski discussed the funding of the proposed projects, stating that over the past two years funds received from the special assessment amount to \$91,800.00 and that the estimated costs come in just under that amount. Administrator Smolinski requested Council's approval for the special assessment expenditures as presented so that the DDA can move forward with phase-one wayfinding signage and holiday lighting on Third Street. Clerk Whitaker further stated that a motion to approve the DDA expenditures would also include the authorization for the City to fund its portion of the wayfinding signs.

8488 – Motion by Cupps, second by James, to authorize the DDA to use special assessment funds for the proposed wayfinding and Third Street projects and for the City to fund its portion of the cost for wayfinding signs outside of the DDA-PSD for the City's buildings and facilities.

Ayes – 5
Nays – 0

Motion carried.

Further discussion was had about the upcoming DDA/Chamber of Commerce Visioning Session scheduled for 8:00 a.m. on Wednesday, June 28, 2017 in Council Chambers.

H. Food Sales Fundraising Requests – 4th of July

City Manager Richards stated that as in years past Council has approved fundraising requests from local community organizations for the sale of food and beverages on the Fourth of July and presented Council with a list of the organizations who normally ask for approval. City Manager Richards asked Council to grant him the authority to approve requests that come in between now and the fourth. No objections were made. Mayor Brown entertained a motion to approve.

8489 – Motion by Pfeifer, second by Bugera, to grant City Manager Richards the authority to approve Fourth of July fundraising requests received from local community organization.

Ayes – 5

Nays – 0

Motion carried.

I. Waterfront Wedding Request – Use of Public Space

City Manager Richards presented a letter received requesting use of a small portion of the green space on the City's Waterfront Park area for a small wedding ceremony on Saturday, September 16, 2017 from approximately 4:00 p.m. to 5:00 p.m. No objections were made and a motion was entertained to approve the use of the public space.

8490 – Motion by Bugera, second by Pfeifer, to approve the use of a portion of the waterfront public green space for a small wedding ceremony on Saturday, September 16, 2017.

Ayes – 5

Nays – 0

Motion carried.

5. Manager's Report

City Manager Richards reviewed his Manager's Report and briefed Council on the following:

- Stormwater separator installation status
- Third Street electric poles and street light status
- Electric shock drowning safety standards
- Upcoming Boards and Commissions Meetings:
 - DDA-PSD – Thursday, July 13, 2017 8:00 a.m.
 - Harbor Commission – Wednesday, July 12, 2017 4:00 p.m.
 - Planning Commission – Thursday, July 20, 2017 at 6:00 p.m.

6. Appointments

Mayor Brown re-appointed Jeff Granger to a three year term on the City's Tree Board with a term expiring May 2020.

7. Old and New Business

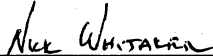
Jeff James proposed that the City consider paving the unpaved parking area at the base of the boardwalk on the north end of Spring St. City Manager Richards stated that the City already has an engineer's estimate. Discussion was had about different paving options, costs, and the potential need for additional parking. Mayor Brown supported the request for the proposal to pave the lot and requested the discussion be added to the agenda for the next meeting.

8. Next Meeting

City Manager Richards stated the next regular City Council Meeting is scheduled for 7:00 p.m., Wednesday, July 5, 2017.

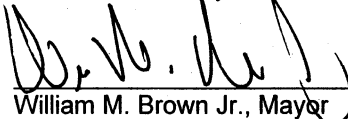
9. Adjournment

With no further business, Mayor Brown adjourned the meeting at 8:46 p.m.



Nick Whitaker, City Clerk

Approved: July 17, 2017



William M. Brown Jr., Mayor

Attachments page

Section 6 language

Street Maintenance Fund Ballot Language

HARBOR SPRINGS PUBLIC SCHOOLS

Baseball Field Lease Agreement Proposed Language for Section 6

The Premises may be used for the construction, renovation, maintenance and operation of a baseball field and all improvements and uses related thereto. The District shall have the first right to exclusive use of the Premises during such times as are agreed upon between the City and District pursuant to a Schedule of Use, and in the event of any disagreement, the District shall have the first right of use of the Premises, at the District's sole and absolute discretion. The parties may amend the Schedule of Use at any time during the year by mutual consent.

Either party may use the Premises at any time during the Term when such use does not interfere with the other party's first use of the Premises. The City and District acknowledge and agree that the general public shall have the right to use the Premises so long as such use does not interfere with the rights of District and City to use the Premises pursuant to the terms of the Lease Agreement. The City and the District agree to meet annually to discuss scheduling, maintenance and the use of the premises.

Susan Wyngaarden
Pete Schmidt
Vaarnum Riddering Schmidt and Howlett LLP

Proposed Street Millage Ballot Question

Following Council's discussions of the need to maintain adequate funds for future street and sidewalk construction and maintenance and Council's decision to submit a millage proposal to the voters, staff has prepared a ballot question for the November 7, 2017 General Election.

In addition to street projects, the ballot language also includes sidewalks as, sidewalk construction and reconstruction is expensed through the Local Street Fund due to the State requirement that a minimum of 10% of the Motor Vehicle Highway Funds must be spent for the construction of sidewalks, non-motorized pathways and/or bicycle lanes.

PROPOSED BALLOT QUESTION FOR THE NOVEMBER 7, 2017 GENERAL ELECTION

Shall the limitation on the amount of taxes which may be levied under Article IX, Sections 6 and 31 of the Michigan Constitution on taxable property in the City of Harbor Springs be increased by up to one (1) mill (\$1 per \$1,000 of taxable value) of new additional millage for a period of twenty (20) years, for the maintenance, construction and improvement of streets and sidewalks within the City, with the actual amount of the additional levy (subject to the one (1) mill maximum) to be set annually by the City Council based on its determination of street needs? If the millage is authorized and fully levied, the estimated amount of revenue that would be collected in 2018 is \$248,000.00.

APPROVED

This proposed language also requires review by County Clerk Julie Wallin and the Michigan Secretary of State, Election Division.

Staff recommends Council's action to approve the proposed ballot language, making it possible to submit it to the State before their August deadline.