Mayor Dika called the eighth meeting of the eighty-second 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

Present: Alan J. Dika, John L. Cupps and Pringle Pfeifer
Absent: Matthew Bugera and Jeff James

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Daniel J. Branson, Fire Chief Dick Schiller and City Clerk Ronald B. McRae

City Clerk McRae acknowledged that a quorum was present.

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

#8080 – Motion by Cupps, second by Pfeifer, to approve the February 17, 2014 regular meeting minutes as read.
Ayes – 3
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:

<table>
<thead>
<tr>
<th>Voucher Number</th>
<th>Description</th>
<th>Fund Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>8072</td>
<td>Accounts Payable</td>
<td>General Fund</td>
<td>$24,602.09</td>
</tr>
<tr>
<td></td>
<td>No Council 2/18/2014</td>
<td>Major Street Fund</td>
<td>582.49</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Street Fund</td>
<td>312.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Historical Fund</td>
<td>775.38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DDA Fund</td>
<td>4.38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electric Fund</td>
<td>5,764.34</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water/Sewer Fund</td>
<td>3,495.41</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WT Water Fund</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Waterfront Fund</td>
<td>2,052.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weather Buoy Fund</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equipment Fund</td>
<td>15,045.14</td>
</tr>
<tr>
<td>8073</td>
<td>Wire-MPPA 2/19/14</td>
<td>Electric Fund</td>
<td>$31,240.53</td>
</tr>
<tr>
<td>8074</td>
<td>Trust Payouts 2/1-2/15/14</td>
<td>Trust Fund</td>
<td>$1,095,120.66</td>
</tr>
</tbody>
</table>
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March 3, 2014
Page 2

Voucher Number | Description | Fund Name | Amount  
--- | --- | --- | ---  
8075 | Payroll Ending 2/9/14 | General Fund | $31,508.64  
 |  | Major Street Fund | 2,768.43  
 |  | Local Street Fund | 2,050.35  
 |  | Historical Fund | 560.88  
 |  | DDA Fund | 0.00  
 |  | Electric Fund | 11,786.09  
 |  | Water/Sewer Fund | 6,962.05  
 |  | Waterfront Fund | 757.04  
 |  | Equipment Fund | 2,679.29  
8076 | Wire-MPPA 2/25/14 | Electric Fund | $52,129.84  
8077 | Accounts Payable | General Fund | $17,311.36  
 |  | Major Street Fund | 667.05  
 |  | Local Street Fund | 667.05  
 |  | Police Reserve Fund | 2.67  
 |  | Historical Fund | 197.89  
 |  | DDA Fund | 760.00  
 |  | Electric Fund | 14,595.53  
 |  | Water/Sewer Fund | 108,757.32  
 |  | WT Water Fund | 4,935.80  
 |  | Waterfront Fund | 8,053.42  
 |  | Weather Buoy Fund | 0.00  
 |  | Equipment Fund | 10,430.65  

#8081 – Motion by Pfeifer, second by Cupps, to approve the bills in the amount of $1,456,576.87.

Ayes – 3
Nays – 0

Motion carried.

THEREFORE, BE IT RESOLVED that claims on voucher numbers 8072, 8073, 8074, 8075, 8076 and 8077 checked by the Finance Committee, in the amount of $1,456,576.87 be allowed for payment, and the City Manager and the Mayor are hereby authorized to execute warrants to be drawn on the following funds:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$73,422.09</td>
</tr>
<tr>
<td>Major Street Fund</td>
<td>4,017.97</td>
</tr>
<tr>
<td>Local Streets Fund</td>
<td>3,029.80</td>
</tr>
<tr>
<td>Police Reserve Fund</td>
<td>2.67</td>
</tr>
<tr>
<td>Historical Fund</td>
<td>1,534.15</td>
</tr>
<tr>
<td>DDA Fund</td>
<td>764.38</td>
</tr>
<tr>
<td>Electric Fund</td>
<td>63,386.49</td>
</tr>
<tr>
<td>Water/Sewer Fund</td>
<td>171,344.62</td>
</tr>
<tr>
<td>West Traverse Water Fund</td>
<td>4,935.80</td>
</tr>
<tr>
<td>Waterfront Fund</td>
<td>10,863.16</td>
</tr>
<tr>
<td>Equipment Fund</td>
<td>28,155.08</td>
</tr>
<tr>
<td>Trust Fund</td>
<td>1,095,120.66</td>
</tr>
</tbody>
</table>

**Total** | **$1,456,576.87**
3. Citizen Comments

John Wayman, 483 East Third Street, Harbor Springs, stated that he had contacted the City Manager about a concern that he had with the amount of snow and the risk of flooding. Based on conversation he has had with others, there is a chance that his property will be flooded. He would like to know if an assessment of the flood potential has been done by the City.

City Manager Richards stated that many improvements had been made to address storm water and drainage issues of the past. He added that the DPW was cleaning and maintaining storm drains to ensure that they are prepared for any severe water issues. He reminded Mr. Wayman that snow melt or rain from the bluff may impact those living at the bottom of the slope.

4. City Manager’s Section

A. County Ambulance Proposal

City Manager Richards stated that Charlie MacInnis, the County Commissioner representing the City of Harbor Springs, Little Traverse Township and a portion of Bear Creek Township, was here to review the Ambulance millage proposal with City Council and to receive feedback on the issue. City Manager Richards then introduced County Commissioner Charlie MacInnis.

MacInnis stated that the County Commissioners received a millage proposal from a committee formed to improve the County’s Ambulance Service. The Committee’s proposal includes changes in the funding, management and operation of ambulance service in Emmet County. MacInnis believes that the changes proposed could have an adverse impact on the ambulance/EMS services provided in the City.

MacInnis reviewed the one-page document that the County Commissioners received. MacInnis pointed out that the East Fairview Ambulance Hall was not included in the proposed management and funding plan being recommended. Fire Chief Schiller stated that the Harbor Springs Area Fire Authority (HSAFA) has not had to provide the first responders due to the close proximity of the East Fairview Street Station. Both Mayor Dika and Councilperson Cupps stated that the location of the Ambulance Hall on East Fairview Street usually shortens the response time for the area of the County north and west of the City. Fire Chief Schiller stated that the proposed changes are not fully explained and it appears that the Committee who drafted this plan or proposal did not do “due diligence” in their investigative work for the proposal.

Commissioner MacInnis thanked everyone for their input.

B. Presentation of the Harbor Way Multi-use Trail and Way Finding Project

City Manager Richards stated that over the last few months a group of interested community leaders have been discussing the goal of providing visitors to the City with a safe and easy way to find their way to our waterfront, both on foot and by bicycle. Rachel Smolinski, Executive Director of H.A.R.B.O.R., Inc., has been facilitating these discussions. City Manager Richards introduced Smolinski.

Smolinski stated that from the discussions, the committee came up with a plan to:

a. Create a safe route to connect the Little Traverse Wheelway to the City’s Waterfront Parks and the downtown area;

b. Provide appropriate signage to direct visitors to various City amenities and attractions;
c. Provide a wider and safer paved surface to accommodate both pedestrian and bicycle traffic; and,

d. Provide safe street crossings for the proposed trail.

Smolinski used a power point presentation to outline the location of the proposed trail. The trail will start at the trailhead at Kosequat Park and the ball fields. The trail will actually lead to the Waterfront Park by the Harbormaster Building; provide signage for the restrooms, the Deer Park, and other locations of interest. The trail will also provide a connector to the Hoyt Road Trail which runs north to the soccer fields.

City Council members were not in favor of removing the entire sidewalk from Park Avenue, along the north side of M-119 west to Hoyt Street. They did state that the sidewalk from Hoyt Street east to the entrance to Bay Bluffs should be kept.

After the presentation and discussion, Smolinski asked City Council for approval of the proposed conceptual plan for the Harbor Way Multi-use Trail Project.

While City Council members complimented the overall plan, Mayor Dika, with the support of the other City Council members present, thought it best to table the approval until the absent members of City Council were present at the March 17, 2014 City Council Meeting.

C. Consideration of Bids for the Harbormaster Building Repairs

City Manager Richards stated that competitive bids were received to repair the rot and deterioration of the dormers on the Harbormaster Building including:

a. Remove and replace rotted gable vents with PVC on the six dormers;

b. Replace the moldings and fascia on the dormers; and,

c. Repair deteriorating posts, and wrap the replacements with weatherproof Azek material.

Three bids were received. They were:

<table>
<thead>
<tr>
<th>Company</th>
<th>Bid Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT Builders</td>
<td>$9,258.07</td>
</tr>
<tr>
<td>Brett Swiss Builders</td>
<td>$8,373.12</td>
</tr>
<tr>
<td>Northern Michigan Construction</td>
<td>$7,010.36</td>
</tr>
</tbody>
</table>

City Manager Richards stated that after the bids were evaluated, Staff recommends City Council award the contract to the low bidder, Northern Michigan Construction, at their low bid price of $7,010.36.

After a brief discussion, the following motion was offered:

#8082 – Motion by Cupps, second by Pfeifer, to authorize the City Manager to award the contract for repairs to the Harbormaster Building to Northern Michigan Construction at their low bid of $7,010.36.

Ayes - 3

Nays - 0

Motion carried.
D. Consideration to Approve the Resolution to Revise the Post Retirement Health Benefit Formula in the Administrative Agreement

City Manager Richards stated that City Clerk McRae has prepared a “Resolution to Amend the Administrative Agreement” (the “Resolution”). The purpose of the Resolution is to amend the formula in the Administrative Agreement used to calculate the post retirement healthcare benefits. City Manager Richards stated that City Clerk McRae recommended that the Post Retirement Health Benefits be calculated by providing benefits based on one (1) month of healthcare premium for every five (5) full months of service.

City Council discussed the proposed “Resolution” and asked to change the formula to read, “…one (1) month of healthcare premium for every five (5) full months of service…” City McRae stated that he would change the wording in the Resolution.

#8083 – Motion by Pfeifer, second by Cupps, to approve the “Resolution to Amend the Administrative Agreement”, which changes the formula to calculate the post retirement healthcare benefits; with the condition that the formula be based on one (1) month of healthcare premium for every five (5) full months of service.

Ayes: Cupps, Pfeifer and Dika
Nays: None
Absent: James and Bugera

Motion carried.

E. Electric Department Digger/Pole Truck Bids

City Manager Richards stated that clarifications are needed before consideration of the proposed truck purchase. This item will come back to City Council for their consideration at a future meeting.

5. City Manager’s Report

A. Permit Applications for the Lakefront Shoreline Expansion

City Manager Richards stated that the City must apply to the Michigan Department of Natural Resources and Environment, Division of Environmental Quality, and the United States Army Corps of Engineers for the necessary approvals to expand the shoreline of the Little Traverse Bay east of the Harbormaster Building. The City is in the process of preparing the necessary applications.

The City has received expert opinions that this proposed incursion in the Great Lakes bottomland is typically not permitted. However, the City is hopeful that this request will receive support for its approvals because of its benefit to the public. The City is in discussions with the Tip of the Mitt Watershed Council and the Little Traverse Band of Odawa Indians to work with them in resolving any environmental concerns prior to the filing of the permit applications to anticipate inquiries from the approving State and Federal Agencies.
B. Petition Circulating on Stopping of the Waterfront Tennis Courts

City Manager Richards stated that the City has learned that one or more citizens are circulating a petition to stop the removal of the waterfront tennis courts. City Manager Richards stated that the City has not seen the petition. Staff has provided one resident with information about the petition and referendum process specified in the City Code.

City Manager Richards stated that if the petition drive is successful and meets all of the requirements, the petition may force a referendum to be placed on the ballot for the next election, or require a special election. Further, there is some question as to whether the Tennis Court question is an issue subject to the petition / referendum requirements. Should the petition drive be successful, the City will seek a legal opinion from City Attorney Ramer on this issue.

C. Department Reports

The Police Department and Electric Department monthly activity reports are enclosed for City Council review.

6. Boards and Commissions

A. Appointments

Mayor Dika stated that he has no appointments this evening.

B. Zoning Board of Appeals (ZBA)

Mayor Dika stated that the next regularly scheduled ZBA meeting is scheduled for 5:30 p.m., Wednesday, March 12, 2014 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

C. DDA Board Meeting

Mayor Dika stated that the next DDA Board meeting is scheduled for 8:00 a.m., Thursday, March 6, 2014 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

D. Planning Commission (PC)

Mayor Dika stated that the next PC meeting is scheduled for 6:00 p.m., Thursday, March 20, 2014 in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

E. Next Council Meeting

The next regular City Council meeting is scheduled for 7:00 p.m., Monday, March 17, 2014. The City Council meeting will be held in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.
7. Old and New Business

A. Snow Removal from Around Fire Hydrants

Councilperson Cupps thanked the Department of Public Works for getting some of the fire hydrants dug out of the snow. Councilperson Cupps stated that he hoped that everyone continued digging the fire hydrants out.

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 7:51 p.m.

________________________________________
Ronald B. McRae, City Clerk

Approved: March 17, 2014

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Alan J. Dika, Mayor