

Harbor Springs City Council
September 21, 2009

Mayor Dika called the twenty-seventh meeting of the 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, Alan Hegedus, Michael K. Heinz, Laura Kors and Pringle Pfeifer

Absent: None

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

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

There were several corrections noted to the August 17, 2009 City Council meeting minutes. They are:

a. Page 2, Item 2, last column of numbers by fund should total \$351,141.63, not \$351,413.63.

b. Page 3, Item 4B, first paragraph, first sentence reads, "...Robert Mathews and..." The sentence should read, "...Robert Matthews and..."

c. Page 3, Item 4C, first paragraph, first sentence reads, "...for the Judd Street Water Main, Sewer and Street Project..." It should read, "...for the Judd Street Water and Sewer Main and Street Project..."

d. Page 4, Item 5A, first paragraph, third sentence reads, "...is scheduled to for..." It should read, "...is scheduled for..."

e. Page 5, Item 5E should have a sentence added. The sentence should read, "Council concurred with the City Manager's recommendation."

f. Page 5, Item 5G, first paragraph, second sentence reads, "...Ben Veiling,..." It should read, "...Ben Veling..."

g. Page 6, Item 6D, first paragraph, second sentence reads, "...is schedule for..." It should read, "...is scheduled for..."

There were no additions, corrections or amendments noted for the August 24th or September 4th meetings.

#7614 – Motion by Pfeifer, second by Heinz, to approve the August 17, 2009 regular City Council meeting minutes as amended, and to approve the August 24, 2009 and September 4, 2009 special City Council meeting minutes as read.

Ayes – 5

Nays – 0

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:

Voucher Number	Description	Fund Name	Amount
7575	Payroll Ending 8/16/09	General Fund	\$34,763.84
		Major St. Fund	770.86
		Local St. Fund	313.44
		Historical Fund	443.60
		Electric Fund	9,328.88
		Water & Sewer Fund	7,159.63
		Waterfront Fund	6,018.40
		Equipment Fund	2,205.40
7576	Tax Payouts 8/1 – 8/15/09	Trust Fund	\$3,498,536.95
7577	Accounts Payable - No Council 8/31/09	General Fund	\$91,140.50
		Major St. Fund	1,518.89
		Local St. Fund	1,200.00
		Police Reserve Fund	200.00
		Historical Fund	413.23
		Electric Fund	182,700.65
		Water & Sewer Fund	47,345.77
		WTTP Water Fund	9,254.59
		Waterfront Fund	3,884.08
		Equipment Fund	110,023.92
7578	Payroll Ending 8/31/09	General Fund	\$37,304.62
		Major St. Fund	852.70
		Local St. Fund	349.49
		Historical Fund	443.60
		Electric Fund	9,461.45
		Water & Sewer Fund	5,921.63
		Waterfront Fund	4,100.66
		Equipment Fund	2,036.74
7579	Tax Payouts 8/16 – 8/31/09	Trust Fund	\$123,129.46
7580	Sales and State Income Tax Withholding 8/31/09	General Fund	\$4,769.38
		Electric Fund	15,513.24
7581	Accounts Payable - No Council 9/14/09	General Fund	\$22,754.80
		Major St. Fund	10.78
		Local St. Fund	1,012.60
		Police Reserve Fund	119.00
		Historical Fund	0.00
		Electric Fund	54,140.10
		Water & Sewer Fund	184,719.67
		WTTP Water Fund	0.00
		Waterfront Fund	1,387.37
		Equipment Fund	1,400.20

7582	Payroll Ending 9/13/09	General Fund	\$31,731.96
		Major St. Fund	533.79
		Local St. Fund	98.33
		Historical Fund	443.60
		Electric Fund	12,133.58
		Water & Sewer Fund	7,641.35
		Waterfront Fund	3,609.62
		Equipment Fund	4,028.06
7583	Accounts Payable - Council 9/21/09	General Fund	\$12,636.28
		Major St. Fund	132.80
		Local St. Fund	0.00
		Historical Fund	242.45
		Electric Fund	4,471.72
		Water & Sewer Fund	5,057.36
		WTTP Water Fund	0.00
		Waterfront Fund	2,045.62
		Equipment Fund	4,028.06

#7615 – Motion by Heinz, second by Hegedus, to approve the bills in the amount of \$4,564,957.87.

Ayes – 5
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7575, 7576, 7577, 7578, 7579, 7580, 7581, 7582 and 7583 checked by the Finance Committee, in the amount of \$4,564,957.87 be allowed for payment, and the City Manager and the Mayor are hereby authorized to execute warrants to be drawn on the following funds:

General Fund	\$235,101.38
Major Streets Fund	3,819.82
Local Streets Fund	2,973.86
Police Reserve	319.00
Historical Fund	1,986.48
Electric Fund	287,749.62
Water & Sewer Fund	257,845.41
West Traverse Water Fund	9,254.59
Waterfront Fund	21,045.75
Equipment Fund	123,195.55
Trust Fund	3,621,666.41

Total	\$4,564,957.87
	=====

3. Citizen Comments

None

4. City Manager's Section

A. Awarding Resolution for the Sale of the 2009 Water Bonds

City Manager Richards stated that the bids were received on the 2009 General Obligation Bonds to finance the 2009 Water System Projects. Manager Richards stated that the low bid on the bonds was very favorable at 3.749276%.

City Council Meeting Minutes

September 21, 2009

Page 4

City Manager Richards introduced Robert J. Bendzinski, Bendzinski and Company, Municipal Finance Advisors, who is the City's Financial Advisor. Bendzinski stated that the bond sale was very favorable and noted that five separate bids were received from a total of thirteen bidders. Bendzinski further commented on the Standard and Poor's Rating of AA+ for this bond issue. Lastly, Bendzinski complimented Council and Staff for their efforts in keeping the City solvent with the trend of increasing its General Fund's fund balance. Bendzinski recommended that City Council award the sale of the 2009 bonds to Raymond James and Associates, Inc., Comerica Bank, Oppenheimer and Company, Inc., and Bernardi Securities, Inc. for the low bid of 3.749276%.

After a brief discussion on this issue, the following motion was offered:

#7616 – Motion by Kors, second by Pfeifer, to approve the "Awarding Resolution, City of Harbor Springs", which awards the sale of the 2009 General Obligation Bonds to Raymond James and Associates, Inc., Comerica Bank, Oppenheimer and Company, Inc., and Bernardi Securities, Inc. for the low bid of 3.749276%.

Ayes – Kors, Pfeifer, Dika, Hegedus and Heinz

Nays – None

B. Resolution to Quit Claim Deed the Tamarac Pump Station Property to West Traverse Township

City Manager Richards stated that West Traverse Township attempted to obtain a permit to put a roof on the Tamarac Pump Station, but was denied because there was no record of a property transfer to West Traverse Township in July of 2001 when the Tamarac Subdivision Water System was purchased from the City.

City Attorney Ramer stated that there was never any deed given to the City when the Tamarac Subdivision Water System was given to the City back when it was constructed. To establish a legal ownership record, Attorney Ramer suggested that the City Council create one by quit claim deed transfer from the City to West Traverse Township.

After some discussion on this issue, the following motion was offered:

#7617 – Motion by Heinz, second by Kors, to approve the "Resolution of the City Council of the City of Harbor Springs" which approves the execution of a quit claim deed on the Tamarac Pump Station property to West Traverse Township.

Ayes – Pfeifer, Dika, Hegedus, Heinz and Kors

Nays – None

C. Proposed Marina Building Renovation Project

City Manager Richards stated that construction estimates for the Marina Building came in over budget. The project was originally planned to be funded over a two – year period. The first year was budgeted to cost \$40,000 and the second year was budgeted to cost approximately \$30,000. The total cost of the proposed renovations was estimated at \$70,000.

Northern Michigan Construction bid the project at \$117,619. Pumco Interiors bid the project at \$126,335. If the Harbormaster served as the contractor and subbed the work

to various subcontractors, the accumulated costs total \$122,307. After the Harbor Commission met, they agreed to recommend to City Council that Council approve the bid from Northern Michigan Construction.

City Council Meeting Minutes

September 21, 2009

Page 5

Jim Bartlett, Chairman of the Harbor Commission, stated that he believed that the bid at \$117,619 was a good price.

Council discussed this issue with City Manager Richards and Jim Bartlett. After the discussion, the following motion was made:

#7618 – Motion by Kors, second by Heinz, to approve awarding a contract to Northern Michigan Construction in the amount of \$117,619 for the renovation of the four Harbormaster bathrooms and showers, as proposed.

Ayes – 5

Nays – 0

D. Franklin Energy – Energy Optimization Plan Presentation

City Manager Richards stated that the Michigan Public Power Agency has contracted with Franklin Energy to administrate the City's Energy Optimization Plan. Manager Richards introduced Tom Kovalak, the Franklin Energy representative who will head the Energy Smart Program (the City's Energy Optimization Plan) administration team.

Kovalak made a power point presentation of the City's Energy Optimization Plan, giving an overview of the program details and services. After the presentation, Kovalak and City Manager Richards addressed Council concerns and questions.

No action was taken on this issue.

5. City Manager's Report

A. Water Projects Update

City Manager Richards stated that the construction of the Arbor Street Water Main Project has been completed.

City Manager Richards stated that the foundation and floor of the reservoirs have been completed. The casting of the wall and roof panels has also been completed. The reservoirs will be erected through next week.

City Manager Richards stated the Judd Street Project is progressing. The water and sewer mains have been installed on the hill and conduits are being added for the option of adding lighting for the street and walkway. Conduits are being added for the eventual under grounding of the aerial communication lines.

City Manager Richards stated the Artesian Street Project is in the early stages.

City Manager Richards stated the Hoyt and Main Streets Project has been delayed pending approval of MDOT permits. They were received last Friday. The project should be fully under way this week. The project schedule has been coordinated with the marinas to minimize their difficulty in transporting boats to storage through the Hoyt and Main Streets intersection.

City Manager Richards stated the Forest Beach Water Main Project is scheduled for construction this week.

B. Michigan Public Power Agency – Electric Issues

City Manager Richards stated that the Michigan Public Power Agency (MPPA) General Manager Dave Walters visited Harbor Springs last week to familiarize himself the our community and our local concerns. It is hoped that this visit would be useful as we work to maximize partnerships and services that can be shared.

City Manager Richards stated that the MPPA Commissioners will be meeting October 14 and 15, 2009 to revise and update the MPPA's strategic plan. Manager Richards expects this meeting will be especially useful with the upcoming demise of the Power Pool.

City Manager Richards stated that the work is nearly completed on a standardized interconnection agreement for customers wishing to install wind, solar or other renewable fuel generation to power their homes or businesses to be connected to MPPA member systems. Manager Richards stated that he would be providing the draft agreements to Council for consideration when the drafts are completed. Richards provided a table summarizing the terms of the contract agreements.

C. Sidewalks

City Manager Richards stated the Department of Public Works (DPW) staff has provided a list of priority areas where sidewalk repairs or replacement is necessary. Manager Richards stated he would be working with property owners to advise them of the sidewalk concerns, their responsibility and the assistance or cost sharing available from the City.

City Manager Richards stated that the DPW staff has begun a program of grinding the raised edges of sidewalk sections that have heaved upward to remove the potential trip hazard. A small investment in equipment has made it possible to save sidewalk sections that would otherwise have needed replacement.

City Manager Richards stated that in an effort to increase the efficiency of street and sidewalk repair, he authorized the purchase of a trailer mounted mixer for approximately \$1,900. The mixer will be used to make minor sidewalk repairs, cement repairs around manholes and some fire hydrant repairs. The mixer should reduce the time and effort to make the above mentioned repairs.

D. Taste of Harbor

City Manager Richards stated that the annual "Taste of Harbor" will be held Saturday afternoon. This year, the organizers have found a principal sponsor – Avalon Pontoons. Avalon Pontoons is a boat manufacturer located in Alma. Two tents will be set up in the green space between the tennis courts and the Pier Restaurant at the City Marina. The organizers have requested that an Avalon Pontoon boat be displayed on the lawn next to the event tents. The display, as presented, does not appear to create any foreseeable difficulty for the public, the Marina and area by the tennis courts or the Pier Restaurant. Unless City Council objects to the request, he has given conditional approval for the pontoon boat to be displayed during the event.

Council discussed this issue. After expressing their thoughts, Council concurred to allow the display of the boat at the "Taste of Harbor".

E. Police Department – Contributed Funds Projects

City Manager Richards discussed the Contributed Funds donated by individuals. The largest amount of money was donated by a generous benefactor. Police Chief Branson uses the Contributed Funds to make capital expenditures that might not otherwise be possible, such as special purchases or funding projects that benefit the Police Department.

City Manager Richards stated that Chief Branson has requested that a portion of the Contributed Funds be used to send one Police Officer to the national conference of the Commission on Accreditation of Law Enforcement Agencies in Salt Lake City, Utah. The costs for the conference, including travel, lodging, meals and registration fees, are \$2,000 to \$2,500.

City Manager Richards stated that Chief Branson would like to spend approximately \$3,250 to purchase a compact camera/recorder system. The surveillance system would be used in a location wherever the City Police Officers need to monitor activity in response to complaints or incidents of theft, vandalism or other illegal activity.

Council members discussed this issue. Council members concurred that the attendance at the national conference of the Commission on Accreditation of Law Enforcement Agencies was a good expenditure. However, there was no consensus that the surveillance equipment was an appropriate expenditure.

City Council discussed the purchase and use of the surveillance equipment with City Manager Richards and Police Branson. There were concerns about the use of the surveillance equipment and the possible violation of the public expectation of privacy. No action was taken on this issue.

6. Boards and Commissions

A. Planning Commission (PC)

Mayor Dika stated the next PC meeting is scheduled for 6:00 p.m., Thursday, October 15, 2009 in the City Council Chambers.

B. Zoning Board of Appeals (ZBA)

Mayor Dika announced that the next ZBA meeting is scheduled for 5:30 p.m., Wednesday, October 14, 2009 in the City Council Chambers.

C. Harbor Commission (HC)

Mayor Dika announced that the next HC meeting is scheduled for 4:00 p.m., Wednesday, October 28, 2009 in the City Council Chambers.

D. Next Council Meeting

Mayor Dika announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, October 5, 2009 in the City Council Chambers.

7. Old and New Business

A. Ground Breaking for the Bike Trail – H.A.R.B.O.R., Inc.

Councilperson Heinz announced the ground breaking ceremony for the new bike trail.

B. Signs

Council discussed for sale signs, rent signs and garage sale signs. They inquired about the difference in the allowed locations of the signs. City Attorney Ramer stated that the City Zoning Code covered the regulations on some signs and state law covered the regulations on some signs. City Manager Richards stated the Planning Commission was reviewing the zoning code.

C. Water, Sewer and Street Projects

Councilperson Kors acknowledged and thanked City Manager Richards for keeping close track of the details of the Water, Sewer and Street Projects taking place this fall.

D. Tree Lighting

Councilperson Hegedus asked for clarification of the date for the Christmas Tree Lighting. Council members stated that before the Christmas Tree Lighting date is moved from the Sunday after Thanksgiving Day, they would need to have public input. However, the Chamber of Commerce did request to change the date of the Merchants' Open House. Council members acknowledged that they have permitted the Chamber of Commerce to hold the Merchants' Open House when the Chamber wishes.

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 8:16 p.m.

Ronald B. McRae, City Clerk

Approved: October 5, 2009

Alan J. Dika, Mayor

City Council Meeting Minutes
September 21, 2009
Attachments