

Harbor Springs City Council
October 19, 2009

Mayor Dika called the twenty-ninth 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 was one correction noted to the October 5, 2009 City Council meeting minutes. It was:

Page 4, Item 5D, second paragraph, first sentence reads, "...stated the Greg..."
It should read, "...stated that Greg..."

#7622 – Motion by Pfeifer, second by Heinz, to approve the October 5, 2009 regular City Council meeting minutes as amended.

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
7588	Payroll Ending 10/10/09	General Fund	\$25,688.60
		Major St. Fund	747.05
		Local St. Fund	139.73
		Historical Fund	443.60
		Electric Fund	10,928.97
		Water & Sewer Fund	6,240.81
		Waterfront Fund	2,087.85
		Equipment Fund	1,868.53
7589	Sales Tax 9/30/09	General Fund	\$4,439.96
		Electric Fund	15,123.64
7590	Tax Payouts 10/1 – 10/15/09	Trust Fund	\$112,724.02

7591	Accounts Payable - Council 10/19/09	General Fund	\$16,118.90
		Major St. Fund	37.57
		Local St. Fund	1,261.57
		Police Reserve Fund	0.00
		Historical Fund	27.34
		Electric Fund	48,741.04
		Water & Sewer Fund	187,341.37
		WTTP Water Fund	0.00
		Waterfront Fund	44,431.08
		Weather Buoy Fund	761.93
		Equipment Fund	5,282.83

#7623 – Motion by Heinz, second by Hegedus, to approve the bills in the amount of \$484,436.39.

Ayes – 5
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7588, 7589, 7590 and 7591 checked by the Finance Committee, in the amount of \$484,436.39 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	\$46,247.46
Major Streets Fund	784.62
Local Streets Fund	1,401.30
Police Reserve	0.00
Historical Fund	470.94
Electric Fund	74,793.65
Water & Sewer Fund	193,582.18
West Traverse Water Fund	0.00
Waterfront Fund	46,518.93
Equipment Fund	7,151.36
Trust Fund	112,724.02

Total	\$484,436.39
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3. Citizen Comments

None

4. City Manager's Section

A. Energy Efficiency Grant Application for the Ford Park Building

City Manager Richards stated that he has been working with Dana Widmar, Executive Director of H.A.R.B.O.R., Inc., on an energy grant for the Ford Park Building. H.A.R.B.O.R., Inc. needs a favorable consensus from City Council to submit the grant application. City Manager Richards stated that the deadline for the grant submittal is Thursday, October 22, 2009.

Councilperson Heinz stated that he does not have a problem with submitting a grant application, but he believes that City Council should address the issues brought out in

the letter they received from Tom Graham. After a brief discussion by City Council members, they did concur with Councilperson Heinz.

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Council members discussed the amount of the proposed energy efficiency grant with Widmar. She stated that the grant would be for approximately \$60,000 for the energy improvements. There would be another \$54,000 needed to make the remaining improvements to the Ford Park Building.

After further discussion, the following motion was offered:

#7624 – Motion by Heinz, second by Kors, to authorize the City Manager to sign and approve an energy efficiency grant application for the grant through the State Energy Department for Federal Funding to improve the Ford Park Building, including the heating and cooling systems.

Ayes – 5

Nays – 0

B. Hotel Janelle – Permit Extension Request

City Manager Richards stated that City Attorney Ramer has prepared a resolution for City Council's consideration that includes the terms discussed on October 5, 2009 for the extension of the deadlines on the Hotel Janelle development. The resolution also addresses Council's requirement that the extension will terminate if Mossburg doesn't retain the required ownership or control over the company that owns the property.

Councilperson Heinz asked City Attorney Ramer if he believes the resolution protects the City's interest in this project as it had been originally approved by City Council. City Attorney Ramer stated that he believes that the resolution does.

#7625 – Motion by Pfeifer, second by Kors, to approve the "Resolution to Extend the Deadlines on the Development of the Hotel Janelle", which extends the deadline until October 31, 2011.

Ayes – Dika, Hegedus, Heinz, Kors and Pfeifer

Nays – None

C. Zoning Code Revision of Residential Setbacks and Lot Coverage – Ordinance No. 373

City Manager Richards stated that the Planning Commission has been studying the building setbacks and allowable lot coverage maximums for certain residential districts. The goal of the study was to ensure that new home construction stays compatible with the character of existing neighborhoods and to require a reasonable ratio between lot size and allowable building size. The Planning Commission held a public hearing on October 15, 2009 on the building setbacks and allowable lot coverage in proposed Ordinance No. 373. After the public hearing the Planning Commission voted to recommend Council approval on proposed Ordinance No. 373.

Councilperson Kors discussed the considerations of the Planning Commission in arriving at the proposed Ordinance No. 373.

#7626 – Motion by Kors, second by Heinz, to approve Ordinance No. 373, which amends building setbacks and allowable lot coverage in various residential zoning districts.

Ayes – Hegedus, Heinz, Kors, Pfeifer and Dika

Nays – None

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5. City Manager's Report

A. Union Negotiations

City Manager Richards stated that this afternoon the first meeting with the Police Officers Labor Council (POLC) was held and on Wednesday, October 21, 2009 the initial meeting of the International Brotherhood of Electrical Workers Union (IBEW) will be held. After tonight's City Council meeting, he will be meeting with the Personnel Committee to review the Committee's direction to the negotiating team.

B. Water Projects

City Manager Richards stated that structural work on the reservoirs is substantially complete. The contractor is now finishing, waterproofing, backfilling and adding the tank accessories. In November, electronic controls and finish work on the site will be done. The tank operational date is approximately mid-December. Final site work will be completed in the spring.

City Manager Richards stated the Arbor Street Project is completed. The water and storm sewer main installation is completed on the Judd Street Project. The installation of the curbs and sidewalk is nearing completion. Paving is tentatively scheduled for this week, weather permitting. Terminating the water main connections down the bluff should be completed early this week. The water main installation is substantially completed on the Hoyt and Main Streets Project. Weather permitting, the sidewalk and paving are scheduled for completion this week. The water main construction started on Forest Beach Hill this week. The project should be completed by November first.

City Manager Richards stated the water and sanitary sewer main installation is scheduled to be completed by November first on the Artesian Street Project. The sidewalk and paving may be delayed until spring depending on the progress made in the next two weeks.

C. Energy Optimization Program

City Manager Richards stated the 2009 order of compact fluorescent lamps has been received. Franklin Energy is coordinating advertising and direct-mail notices to alert our customers of the availability of the free lamps. Area contractors attending a meeting on the Energy Optimization Plan were made aware of the funding assistance for energy projects. A mailing will be sent to alert others of the opportunities.

Customers wishing to turn in their "energy hog" refrigerators have been directed to Franklin Energy. Franklin Energy is arranging weekly pickups and disposal of the retired refrigerators. Customers will receive a \$30 incentive to turn in their old refrigerators.

Franklin Energy is completing work on a website that will provide all of the details on the Energy Optimization Plan. There will be a link established from the City's website to the Energy Optimization Plan website.

D. Planning Commission Activities

City Manager Richards stated that the Planning Commission has set a public hearing on an ordinance to revise restrictions for signs that advertise single family homes for long term rentals.

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E. Electric Issues

City Manager Richards stated that the Kalkaska Combustion Turbine generator has seen very little operation in recent months due to the decline in the commercial electric load in Michigan. However, the plant has been running almost nonstop in recent weeks due to a transmission maintenance project. This has made the plant very valuable in serving electric loads in this region. The revenue from the power sold will help offset Harbor Springs power bills.

City Manager Richards stated that the MPPA Board of Commissioners met last week to begin the process of strategic planning for the coming years. After years of philosophical struggles within the Power Pool structure, he is encouraged with the tone of the initial discussions for MPPA's direction "after" the Power Pool.

City Manager Richards stated that the City should see some reduction in the purchased power costs over the next two years because there is a refund of capacity charges that were paid in 2009 that were paid in excess of the City's actual 2009 peak load requirement. A credit of approximately \$5,000 per month is expected throughout 2010 as the overpayment is returned as a credit. Further, a refunding of part of the operating capital that the City invested over many years in the Power Pool is being calculated.

F. Airport Terminal

City Manager Richards stated that the construction of the new terminal is well underway. Foundation and concrete slab work are finished and initial installation of utilities has been completed. Framing of the building should begin shortly.

G. "Welcome to Harbor Springs" Sign

City Manager Richards stated that when the "Welcome to Harbor Springs" sign was removed, the sign was found to be severely deteriorated. The sign could not be replaced in its condition. The designer of the sign is working on a quote to replace the original sign made with more weather resistant materials.

H. Cell Phone Update - Savings

City Manager Richards stated that the City provides cell phones to certain departments and staff to ensure that they can remain in communication, especially in urgent situations. After review of the cell phone contract, it was noted that the City could replace the current cell phones with more user-friendly cell phones and at lower rates.

I. Submission of the City of Harbor Springs to Scenic America for Honors for being a "Scenic City"

City Manager Richards stated that he received an e-mail from Abby Dart, Executive Director, Scenic Michigan, stating that Scenic Michigan is suggesting that Scenic America grant honors to the City for being a "Scenic City". Dart will keep the City Manager informed of the results.

6. Boards and Commissions

A. Planning Commission (PC)

Council reviewed the minutes of the October 15, 2009 PC meeting. Mayor Dika stated the next PC meeting is scheduled for 6:00 p.m., Thursday, November 19, 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, November 11, 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, November 2, 2009 in the City Council Chambers.

7. Old and New Business

None

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 7:49 p.m.

Ronald B. McRae, City Clerk

Approved: November 2, 2009

Alan J. Dika, Mayor

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Attachments