

December 7, 2009

Mayor Dika called the third meeting of the seventy-eighth 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, Frederick B. Holdorph and Pringle Pfeifer

Absent: None

Also Present: City Manager Thomas C. Richards, City Attorney James T. Ramer, Police Chief Dan Branson, Administrative Assistant Kathy Saddison and City Clerk Ronald B. McRae

2. City Clerk / Comptroller / Treasurer

A. Approval of Minutes

The following corrections were noted for the November 16, 2009 City Council meeting minutes:

Page 5, Item 2B, first sentence reads, "...up and on its way..." It should read, "...up and is on its way..."

Page 5, Item 2B, second sentence reads, "...and re-launched..." It should read, "...and be re-launched..."

#7641 – Motion by Pfeifer, second by Heinz, to approve the November 16, 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
7598	Tax Payouts 11/1 – 11/15/09	Trust Fund	\$28,239.51
7599	Payroll Ending 11/22/09	General Fund	\$29,177.60
		Major St. Fund	199.14
		Local St. Fund	277.15
		Historical Fund	443.60
		Electric Fund	10,498.67
		Water & Sewer Fund	7,330.01
		Waterfront Fund	1,574.28
		Equipment Fund	138.10

7600	Accounts Payable - No Council 11/30/09	General Fund Major St. Fund Local St. Fund Police Reserve Fund Historical Fund Electric Fund Water & Sewer Fund WTTP Water Fund Waterfront Fund Weather Buoy Fund Equipment Fund	\$6,626.03 0.00 0.00 0.00 82.89 1,292.54 27,433.61 0.00 80.62 0.00 294.54
7601	Tax Payouts 11/15 – 11/30/09	Trust Fund	\$7,201.18
7602	Accounts Payable - Council 12/7/09	General Fund Major St. Fund Local St. Fund Police Reserve Fund Historical Fund Electric Fund Water & Sewer Fund WTTP Water Fund Waterfront Fund Weather Buoy Fund Equipment Fund	\$13,552.63 0.00 42.87 0.00 263.17 141,488.13 43,740.18 4,374.84 8,372.44 345.51 2,750.00

#7642 – Motion by Holdorph, second by Pfeifer, to approve the bills in the amount of \$335,819.24.

Ayes – 5  
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7598, 7599, 7600, 7601 and 7602 checked by the Finance Committee, in the amount of \$335,819.24 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	\$49,356.26
Major Streets Fund	199.14
Local Streets Fund	320.02
Police Reserve	0.00
Historical Fund	789.66
Electric Fund	153,279.34
Water & Sewer Fund	78,503.80
West Traverse Water Fund	4,374.84
Waterfront Fund	10,027.34
Weather Buoy Fund	345.51
Equipment Fund	3,182.64
Trust Fund	35,440.69
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Total	\$335,819.24
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3. Citizen Comments

Shirley Snyder, representing the Wequetonsing Landowners Association, asked when the Christmas Tree Lights went out in the morning. She would like to see them on. Council concurred and requested City Manager Richards to make the change.

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#### 4. City Manager's Section

##### A. Ordinance No. 375, Regulating Temporary Rental Signs

City Manager Richards stated that the Planning Commission recommended City Council approval of the proposed revision regulating the posting of temporary signs to advertise residential properties that are offered for long term rentals.

Ordinance No. 375 revises the City Zoning Code to allow the posting of temporary "for Rent" signs:

1. For single family residential properties in a residential district,
2. For properties offered for lease of a minimum six-month term,
3. Of a size limited to a maximum of four (4) square feet,
4. For posting in the front yard of the residence offered for rent,
5. When a permit has been properly requested and issued by the Zoning Administrator,
6. To be posted no more than thirty (30) days before the expiration of an existing lease, and
7. To be removed within five (5) days after the closing of the rental agreement.

Council discussed proposed Ordinance No. 375 with City Manager Richards and City Attorney Ramer. After the brief discussion, the following motion was offered:

#7643 – Motion by Heinz, second by Pfeifer, to approve Ordinance No. 375, which revises the regulations of posting temporary "For Rent" signs.

Ayes – Pfeifer, Dika, Heinz and Holdorph

Nays – Hegedus

##### B. Proposed Vehicle Purchases

City Manager Richards stated that three pick up truck purchases were approved as part of the 2009 budget. Staff has priced the vehicles. Upon checking with some of the neighboring car dealerships, it was found that they could not compete with the State of Michigan purchasing program pricing based on the specifications submitted.

Under the State of Michigan's MiDeal Program, two quotes were requested on each of the three vehicles proposed. They are:

1. Department of Public Works – ½ Ton, two wheel drive

Gorno Ford	\$17,681	(recommended purchase)
Red Holman GMC	\$19,007	

2. Electric Department – ¾ Ton, four wheel drive

Red Holman GMC	\$21,098	(recommended purchase)
Gorno Ford	\$23,352	

3. Meter Reading Vehicle – Compact, four wheel drive

Red Holman GMC	\$16,855	(recommended purchase)
Gorno Ford	\$18,689	

City Manager Richards noted that the pricing for the three vehicles came in under budget. Manager Richards stated that based on price, he recommends that Council approve the purchases of:

1. Ford F-150, ½ Ton, two wheel drive pick-up from Gorno Ford at \$17,681, plus shipping.
2. GMC Sierra 2500 HD, ¾ Ton, four wheel drive pick-up from Red Holman GMC at \$21,098
3. GMC Canyon compact four wheel drive pick-up from Red Holman GMC at \$16,855

#7644 – Motion by Pfeifer, second by Holdorph, to purchase the recommended vehicles as recommended by the City Manager.

Ayes – 5

Nays – 0

#### C. Replacement of the “Harbor Springs” Sign

City Manager Richards stated the sign marking the entrance into Harbor Springs was removed during the construction of the Hoyt Street water main. The sign, originally built and installed in 1991, was rotted and could not be reinstalled without considerable reconditioning. Economically, it would be better to construct a new sign rather than recondition the old sign.

Sign and Design stated that they would replace the sign for \$5,140, less a 10% discount for the winter business. Sign and Design crafted the old sign. The new sign would be made from synthetic materials making the sign more durable.

Council discussed the Sign Replacement as proposed. After the discussion, the following motion was offered:

#7645 – Motion by Pfeifer, second by Heinz, to authorize the City Manager to have Sign and Design craft a new sign at a cost of \$4,660.

Ayes – 5

Nays – 0

#### D. MERS Presentation

City Manager Richards introduced Tony Radjenovich, Municipal Employees Retirement System of Michigan (MERS) Region 1 Manager. Radjenovich gave a presentation to Council concerning the operations, stability, comparisons of retirement contribution rates and overview of MERS.

Radjenovich pointed out that the City has a good retirement plan with the B-2 Plan, but not the best, and the City’s contribution rate of 8.5% is below average because the employees pay the contribution rate above 8.5%. The average municipal contribution rate is 9.3% on the B-2 Plan.

#### E. Introduction of the Proposed 2010 City Budget

City Manager Richards stated that the Proposed 2010 Budget is before Council for their review. City Manager Richards reminded Council that the Budget Work Session will be held at a special City Council meeting at 7:00 p.m. on Monday, December 14, 2009.

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## 5. City Manager's Report

### A. Fire at 333 East Third Street

City Manager Richards stated that there was a house fire at 333 East Third Street, just after the November 16, 2009 City Council meeting. The Harbor Springs Area Fire Department was very prompt. The volume of water used to fight the fire caused pressure problems for many residents. Fire crews pumped additional water from the Little Traverse Bay with nearly a quarter mile of six (6) inch hose.

City Manager Richards also stated that the hydraulic pressure from the enormous volume of water in the basement at 333 East Third Street caused a sanitary sewer back up at a gallery a block west of the fire scene. Our insurance agency has been working with the gallery owner to deal with the cleanup and damages.

### B. AMP Ohio Cancellation of a Coal Plant

City Manager Richards stated that the Ohio equivalent of the Michigan Public Power Agency (MPPA) cancelled the construction of a major coal-fired power plant to serve eighty-one municipal members of their agency due to anticipated cost overruns for materials and emission controls.

### C. Michigan Municipal Electric Association Conference

City Manager Richards stated that the Cities of Charlevoix, Harbor Springs and Petoskey will jointly host the Spring Conference of the Michigan Municipal Electric Association (MMEA). The location of the conference has not been decided yet, but will be at a location that will accommodate at least ninety guest rooms and the facilities large enough for meetings and dining.

### D. Arbaugh Appeal

City Manager Richards stated that the attorneys for Ms. Arbaugh have filed an appeal of their lawsuit for damages from water that caused a slide at her Forest Beach home. The original lawsuit was dismissed in October 2009 by Judge Johnson. He found that the plaintiff's claim was not supported by the law and evidence. The appeal proceedings will take place in Lansing.

### E. District Library – Proposed Agreement

City Manager Richards stated that the District Library Committee has provided a proposed agreement for consideration by the City and the neighboring Townships to launch a new district library. City Attorney Ramer has reviewed the agreement. Some modifications have been made as a result of that review. The District Library Committee will request that Council consider the Agreement at the December 21, 2009 City Council Meeting.

### F. Open House – Port-a-Johns

City Manager Richards stated that he directed that two port-a-johns be provided for the Merchants' Open House on Saturday, December 12, 2009. The marina restrooms will not be completed by that time.

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## 6. Boards and Commissions

### A. Planning Commission (PC)

Mayor Dika stated the next PC meeting is scheduled for 6:00 p.m., Thursday, December 17, 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, December 9, 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, June 16, 2010 in the City Council Chambers, which is a long time away.

### D. Board of Review

Mayor Dika announced that the Board of Review is scheduled to meet at 9:00 a.m. on December 15, 2009 in the small conference room of City Hall.

### E. Next Council Meeting

Mayor Dika announced that the next City Council meeting is a special meeting for the purpose of having a Budget Work Session at 7:00 p.m. on Monday, December 14, 2009 in the City Council Chambers.

Mayor Dika announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, December 21, 2009 in the City Council Chambers.

## 7. Old and New Business

### A. Storm Cleanup

Councilperson Heinz commented on how well the DPW Crew kept up with the snowfall from the storm this last weekend.

### B. Firefighters at 333 East Third Street

Councilperson Hegedus commented on how the firefighters fought to contain the fire at 333 East Third Street. He thought they worked well as a team and were doing their best to contain the fire.

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 7:59 p.m.

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Ronald B. McRae, City Clerk

Approved: December 21, 2009

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Alan J. Dika, Mayor

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Attachments