

**Harbor Springs City Council Minutes
December 21, 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

There were formatting errors in the December 7, 2009 meeting minutes and in the December 14, 2009 special meeting minutes two corrections were noted. They were:

1. Item 2, first paragraph, first sentence reads, "...Concerns..." It should read, "...concerns..."

2. Item 2, second paragraph, second sentence reads, "...relative to the Judd Hill..." It should read, "...relative to Judd Hill..."

#7646 – Motion by Pfeifer, second by Heinz, to approve the December 7, 2009 regular and the December 14, 2009 special 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
7603	Accounts Payable – No Council 12/9/09	Water & Sewer Fund	\$74,157.19
7604	Payroll Ending 12/06/09	General Fund	\$30,951.97
		Major St. Fund	1,457.21
		Local St. Fund	769.25
		Historical Fund	443.60
		Electric Fund	10,405.66
		Water & Sewer Fund	6,105.21
		Waterfront Fund	1,153.29
		Equipment Fund	2,134.24

7605	Sales & Withholding Taxes 11/30/09	General Fund Electric Fund	\$3,953.53 9,584.69
7606	Tax Payouts 12/1 – 12/15/09	Trust Fund	\$382,428.52
7607	Accounts Payable - Council 12/21/09	General Fund Major St. Fund Local St. Fund Police Reserve Fund Historical Fund Electric Fund Water & Sewer Fund WTPP Water Fund Waterfront Fund Weather Buoy Fund Equipment Fund	\$37,481.47 1,370.60 56,157.91 0.00 462.89 52,909.85 33,026.25 0.00 30,413.29 -398.00 7,132.86

#7646 – Motion by Holdorph, second by Pfeifer, to approve the bills in the amount of \$741,657.88.

Ayes – 5
 Nays – 0

THEREFORE, BE IT RESOLVED that claims on voucher numbers 7603, 7604, 7605, 7606, and 7607 checked by the Finance Committee, in the amount of \$741,657.88 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	\$72,386.97
Major Streets Fund	2,827.81
Local Streets Fund	56,927.16
Police Reserve	0.00
Historical Fund	462.89
Electric Fund	72,900.20
Water & Sewer Fund	113,288.65
West Traverse Water Fund	0.00
Waterfront Fund	31,566.58
Weather Buoy Fund	-398.00
Equipment Fund	9,267.10
Trust Fund	382,428.52

Total	\$741,657.88
	=====

3. Citizen Comments

None

4. Public Hearing on the 2010 Recommended Budget

Mayor Dika called the Public Hearing on the 2010 Recommended Budget at 7:03 p.m.

Mayor Dika asked for any comments on the budget from City Clerk McRae. Clerk McRae stated that due to an omission in the Electric Fund of the proposed three sided storage area, he had to increase the Capital Outlay line item by \$26,000. That is the only difference in what City Council reviewed at their "Budget Work Session" and what they received in their Council packages for this evening.

Mayor Dika then asked if anyone present would like to make any comment on the 2010 Recommended Budget and if any comments were received by mail. City Clerk McRae stated that no comments were received and no one present commented on the Recommended 2010 Budget.

Mayor Dika closed the public hearing at 7:05 p.m.

5. City Manager's Section

A. Harbor Springs Area District Library Agreement

City Manager Richards stated that the Harbor Springs District Library Planning Committee recommends City Council approval of the proposed "Harbor Springs Area District Library Agreement" (the "Agreement"). Manager Richards noted that City Attorney Ramer and attorneys for some of the other municipalities have reviewed the Agreement. Their recommendations have been incorporated in the Agreement.

Judy Harvey, one of the Harbor Springs District Library Planning Committee members representing the City, reviewed some of the points proposed in the Agreement. Mayor Dika thanked both Harvey and Councilperson Pfeifer for their time and effort spent in the work that they did on the development of the Agreement.

The following motion was offered:

#7647 – Motion by Heinz, second by Pfeifer, to approve the "Resolution to Approve the Harbor Springs Area District Library Agreement", further to authorize the City Manager to execute said Agreement.

Ayes – 5
Nays – 0

B. Resolution to Amend the 2009 Financial Plan and Budget Document

City Manager Richards stated that City Clerk McRae has prepared the "Resolution to Amend the 2009 Financial Plan and Budget Document" (the "2009 Budget"). The 2009 Budget is being amended based on the September 30, 2009 expenses and revenues, and the opinions of the department heads for what expenses they plan to have by year end. City Manager Richards stated that he recommends that City Council approve the "Resolution to Amend the 2009 Financial Plan and Budget Document".

#7648 – Motion by Pfeifer, second by Holdorph, to approve the “Resolution to Amend the 2009 Financial Plan and Budget Document” as presented.

Ayes – 5
Nays – 0

C. Resolution to Adopt the 2010 Financial Plan and Budget Document

City Manager Richards stated the “Resolution to Adopt the 2010 Financial Plan and Budget Document” (the “2010 Budget”) has been prepared for consideration by City Council. City Manager Richards briefly reviewed some of the discussion from the Budget work session and pointed out the changes that that were incorporated within the final draft being presented to Council for approval.

After a brief discussion by Council, the following motion was offered:

#7649 – Motion by Heinz, second by Hegedus, to approve the “Resolution to Approve the 2010 Financial Plan and Budget Document” as presented.

Ayes – 5
Nays – 0

D. Resolution to Change the Employees MERS Pension Contribution

City Manager Richards stated that based on the Municipal Employees Retirement System of Michigan (MERS) 2008 Actuarial Report, the City’s contribution needs to be increased from 8.5% to 10.04%. However, due to the current bargaining unit contracts and the Administrative Agreement for non-union employees, the City would be held harmless on all contributions required over 8.5% of gross payroll. Therefore the employees contribution needs to be increase from 5.13% to 6.92% to cover the required increase. Approval of the “Resolution to Change the Employees MERS Pension Contribution authorizes the City to withhold the additional funds from the employees paychecks. Failure by Council to approve this Resolution will require the City to contribute the additional funds.

Council discussed this issue briefly with City Manager Richards and City Clerk McRae. After the discussion, the following motion was offered:

#7650 – Motion by Heinz, second by Holdorph, to approve the “Resolution to Change the Employees MERS Pension Contribution”, which authorizes the increased withholding from 5.13% to 6.92% of payroll per employee.

Ayes – 5
Nays – 0

E. Meeting Schedules

City Manager Richards presented the proposed 2010 Meeting Schedules for City Council, the Planning Commission and the Zoning Board of Appeals. City Council members reviewed the schedules and by consensus approved the 2010 Meeting Schedules.

5. City Manager's Report

A. Electric Optimization Plan Summary

City Manager Richards presented City Council with a summary of the Electric Optimization Plan for 2009. Further, City Manager Richards informed Council that two customers had already installed improvements eligible for incentive funds under the Commercial and Industrial Prescriptive Program (the "Program"). Those customers were awaiting final approval of the incentive payment. The first three customers participating in the Program are the Harbor Springs Public Schools (installed), the Bay Bluffs Medical Center (installed) and the Irish Boat Shop.

City Manager Richards advised Council of his intention to approve Franklin Energy to advance \$2,000.00 of the 2010 funds to increase the incentive for the Harbor Springs Public Schools project (already completed).

Mayor Dika requested that Council receive a report back on the Program savings.

B. Emmet County Department of Public Works Recycling Report

City Manager Richards stated that he enclosed a Recycling Report from Elisa Seltzer on the Recycling Efforts in Harbor Springs.

C. State of Michigan "Shut Off Procedures" for Electric and Gas Utilities

City Manager Richards stated that the State Legislature has approved the guidelines for the termination of Electric and Gas Utilities during the winter months. Staff will review the procedures and if policy and ordinance changes are necessary, amendments will be introduced in the near future.

6. Boards and Commissions

A. Planning Commission (PC)

Mayor Dika stated the next PC meeting is scheduled for 6:00 p.m., Thursday, January 21, 2010 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, January 13, 2010 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. Next Council Meeting

Mayor Dika announced the next regular City Council meeting is scheduled for 7:00 p.m., Monday, January 4, 2010 in the City Council Chambers.

7. Old and New Business

A. Christmas Lights

Councilperson Heinz requested that the City leave the Christmas Lights on 24 hours a day until January 4, 2010. At that time the City should go back to its shorter hours. Council concurred with the request and City Manager Richards stated that he would have the Electric Department comply with the request.

B. Vacation

City Manager Richards stated that he would be gone between the Holidays, but would be only a phone call away. Further, City Clerk McRae would be out of the office from Wednesday evening, December 23, 2010 until January 4, 2010.

8. Adjournment

With no further business, Mayor Dika adjourned the meeting at 7:30 p.m.

Ronald B. McRae, City Clerk

Approved: January 18, 2009

Alan J. Dika, Mayor

City Council Meeting Minutes
December 21, 2009
Attachments