

FUNDING ALTERNATIVES IDENTIFICATION & RECOMMENDATION (F.A.I.R.)
MINUTES

City of Hillsdale
Council Chambers
August 23, 2016
6:00 P.M.

Regular Meeting

Members Present: Kitty Aemisegger, President of Committee, Hillsdale Hospice
Barry Hill, EDC & BPU
JJ Hodshire, Hillsdale Hospital
Tim Dixon, City Council Member
Eric Moore, Moore Insurance Services/Planning Commission
Dennis Wainscott, Hillsdale Justice Project
Matt Bell, City Council Member
Laura Smith, City Planning Commission
Jason Kyser, Kyser Construction
John Lewis, Hillsdale College
Adam Stockford, City Council Member

Members Absent: Julie Boyce, Key Opportunities

City staff members present were City Manager David Mackie, Deputy Clerk Katy Price, Assessor Kim Thomas, Finance Director Bonnie Tew, DPS Director Jake Hammel, and Police Chief Scott Hephner.

Call to Order

City Manager Mackie called the meeting to order and thanked each person for participating in the FAIR Committee. City Manager Mackie stated the purpose of the committee was to research, study, and explore revenue options, that when considered together, would help address Hillsdale's road repair and improvements needs. City Manager Mackie noted the committee would provide a final report to the City Council that would include recommendations to address short-term and long-term road funding.

City Manager Mackie stated the scope of the committee would be to:

1. Identify the road problems
2. Explore potential revenue options
3. Evaluate the revenue options
4. Building a consensus of which revenue options to recommend to Council

City Manager Mackie stated the committee was comprised of three members of the City Council, three members representing the general public, three members representing the business community, and three members from non-profit organizations.

Road Presentation

DPS Director Hammel provided a brief review of the city's road structure and the rating mechanism that is used to rate the streets in Hillsdale. Mr. Hammel stated the city utilized the PACER (Pavement Surface Evaluation Rating) System that scores each road on a scale of 1 to 10. Mr.

Hammel stated the city was required by the Michigan Transportation Assessment Management Council must rate 50% of major streets (or federal aid eligible streets) each year. Mr. Hammel noted the City of Hillsdale was included in the Region 2 Planning Commission that included Hillsdale, Jackson, and Lenawee Counties. Mr. Hammel reported the miles of roads that were rated as "Good" and "Fair" had decreased in the State of Michigan from 2006 to 2015, while the miles of roads labeled as "Poor" had increased during the same time period.

DPS Director Hammel provided examples of various streets in the city that had been rated and described the various deficiencies that factored into the PACER rating of a street. Mr. Hammel also provided a map of the city streets that detailed the PACER rating of each street by color. Mr. Hammel then presented a bar graph which detailed the total miles of road within the city by individual PACER rating.

DPS Director Hammel finalized his presentation by reviewing the planned Garden-Mead-Vine Street reconstruction project. Mr. Hammel stated the project exceeded \$1.1 million in costs for road reconstruction and utility improvements.

Council Member Bell questioned if utility and underground improvements were necessary for each road rated in the failing categories. DPS Director Hammel stated that in many cases, road failures were exacerbated by the lack of storm sewer systems; so, if a road was being reconstructed, it was prudent to have the installation of storm system and other utility improvements performed at the same time.

Mr. Wainscott questioned if the lack of routine, road maintenance had caused the dire condition of the city's roadways. DPS Director Hammel stated that the lack of routine maintenance had caused a slight increase in the "fair" or "poor" ratings; however, most of the streets that were rated as failing had not been reconstructed in many, many years. Mr. Hammel stated the department continued to provide routine maintenance to roadways that were in the 4-6 PACER scale, to delay the need for complete reconstruction of those streets for 8-10 years.

DPS Director Hammel stated the city reviewed the PACER rating of each street on an annual basis to prioritize routine maintenance and reconstruction needs.

City Manager Mackie noted a portion of the BPU budget each year was designated to be used in conjunction with the DPS projects to fund improvements to the city's roadway and utilities.

Funding Options

City Manager Mackie reviewed various funding options that were available to Michigan local municipalities. The discussions centered on:

1. Changes to the existing city budget such as increasing the BPU PILOT (Payment-In-Lieu-Of-Taxes) payment.
2. Act 51 Payments from the State of Michigan (Gasoline Tax)
3. Special Millage
4. Special Assessments
5. Income Tax
6. Grants
7. PILOTs
8. Annexation
9. TIFA District Expansion

Next Meetings

It was the consensus of the committee to meet bi-weekly on Mondays opposite the City Council meetings, with the next meeting for September 12, 2016 at 6:00 p.m.

Adjournment

The meeting adjourned at 7:18 p.m.

Stephen M. French, City Clerk

