

CITY COUNCIL MINUTES

City of Hillsdale
February 6, 2017
7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Scott Sessions opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Scott Sessions called the meeting to order.

Council Members present:	Scott M. Sessions, Mayor Adam Stockford, Ward 1 William Morrissey, Ward 2 Bruce Sharp, Ward 3 William Zeiser, Ward 3 Matthew Bell, Ward 4 Patrick Flannery, Ward 4
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Council Members absent:	Brian Watkins, Ward 1 Timothy Dixon, Ward 2
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Also present were: City Manager David Mackie, City Clerk Stephen M. French, City Attorney John Lovinger, Bonnie Tew (Finance), Kay Freese (HR), Scott Hephner (HCPD/HCFD), Jake Hammel (DPS), Mike Barber (BPU), Mark Hawkins (HCFD), Alan Beeker (Zoning), Ben Muldrow (Arnett Muldrow), Corey Murray (Hillsdale Daily News), Corey Burke (HCFD), Nic Rowan (Hillsdale Collegian), Penny Swan, Dennis Wainscott, Ray Briner, and Charles Ferguson.

Council Member Excused

Mayor Sessions reported Council Member Dixon and Council Member Watkins wrote they would not be in attendance at the meeting due to work obligations.

Council Member Morrissey, seconded by Council Member Flannery, moved to excuse the absence of Council Member Dixon and Council Member Watkins from the meeting. By a voice vote, the motion passed unanimously.

Approval of Agenda

City Manager Mackie requested the agenda be amended to include a staff recommendation to approve a “Discontinuance or Transfer of Payroll or Assets in Whole or Part” with the State of Michigan.

Council Member Zeiser, seconded by Council Member Flannery, moved to amend the February 6, 2017 agenda as requested by City Manager Mackie. By a voice vote, the motion carried unanimously.

Council Member Bell, seconded by Council Member Flannery, moved to approve the amended February 6, 2017 agenda. By a voice vote, the motion carried unanimously.

Public Comment

Ms. Penny Swan, 192 South West Street, voiced concern with the slogan and color scheme proposed within the Rising Tides Initiative handouts. Ms. Swan stated many residents didn't respond favorably in her on-line poll about the slogan and the color scheme did not match with the new signs that the city had recently installed. Ms. Swan encouraged the City Council to allow public input when choosing a new city slogan.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of January 27, 2017: \$227,040.39
 - 2. BPU Claims of January 26, 2017: \$96,485.21
 - 3. Payroll of January 26, 2017: \$190,622.10 (BPU & City)
- B. City Council Minutes of January 23, 2017
- C. Finance Committee Minutes
 - 1. November 21, 2016
 - 2. December 5, 2016
 - 3. December 19, 2016
 - 4. January 3, 2017
 - 5. January 16, 2017
- D. TIFA Minutes of November 15, 2016
- E. TIFA Targeted Development Committee Minutes of November 28, 2016
- F. Airport Advisory Committee Minutes – September 17, 2016
- G. Cemetery Board Minutes – November 2, 2016
- H. January 2017 Code Enforcement Report
- I. December 2016 Hillsdale Policy Group Report
- J. December 2016 Financial & Quarterly Investment Reports

Council Member Flannery, seconded by Council Member Zeiser, moved to approve the Consent Agenda as presented.

Roll call:	Council Member Bell	Aye
	Council Member Flannery	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 7-0.

Communications/Petitions

- A. Project Rising Tide Presentation

Mr. Ben Muldrow, representing Arnett Muldrow, presented a set of recommendations for a new branding campaign for the City of Hillsdale. Mr. Muldrow stated public forums and meetings with city staff were held in December 2016 which helped develop initial drafts and concepts for the branding. Mr. Muldrow discussed the strategic importance of the city reconnecting to the greater region to benefit the city's economy. Mr. Muldrow detailed the city's uniqueness of having preserved the small-town values and character, while major metropolitan areas were in close proximity to the city.

Responding to a question from Council Member Bell, Mr. Muldrow stated there was a very intentional difference between the colors of the new city entrance signs and the color scheme of the draft branding campaign. Mr. Muldrow stated the change of colors were made to demarcate the differences with Hillsdale College, and to highlight the projects and changes made by the City of Hillsdale.

Mr. Muldrow then discussed the proposed tag-line of “Closer than You Imagine!” that highlighted the small-town values of Hillsdale and the essence that valued the closeness and connectivity of the community. Mr. Muldrow stated, however, that the small-town intrigue needed to be balanced with the close proximity of larger, urban areas which could be used to stimulate the city’s economy.

Council Member Bell also questioned the use of different department logos in a city government hat is relatively small and has few departments. Mr. Muldrow stated the consistent type-faces and colors could be used with different logos to complement multiple city departments, even in a small town like Hillsdale.

Council Member Stockford noted one-fifth of the nation’s population lived within 250 miles of the City of Hillsdale and the proposed motto fit perfectly with the city’s proximity to major urban areas. Council Member Stockford questioned if other cities had received positive responses from the branding initiatives from Arnett Muldrow.

Mr. Muldrow stated Arnett Muldrow had provided branding campaigns to over 450 local units of government across the country, including the Michigan cities of Wayland, Iron Mountain, Grayling, Rochester, River Rouge, and Lake Orion.

Responding to a question from Council Member Zeiser, City Manager Mackie stated the public would have the opportunity to discuss and question any changes to the city’s branding prior to formal approval from the City Council.

Council Member Morrisey, seconded by Council Member Bell, moved to accept for review the recommendations of Arnett Muldrow for branding the City of Hillsdale.

Roll call:	Council Member Bell	Aye
	Council Member Flannery	Aye
	Council Member Morrisey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 7-0.

Introduction and Adoption of Ordinance/Public Hearing

There were no Ordinances or Public Hearings on the agenda.

Unfinished Business

There was no Unfinished Business on the agenda.

Old Business

A. Electronic Payment Contract with Point & Pay, LLC

Council Member Bell questioned if the proposal from Point & Pay was any different than the proposal that had been presented to the City Council at the December 19, 2016 meeting. Council Member Flannery reported the proposal from Point & Pay remained consistent; however, city staff had obtained alternatives from Southern Michigan Bank & Trust (SMB&T) and Paymentus for comparison purposes. Council Member Flannery stated the Point & Pay options would charge the 3% convenience fee to the customer and was not based on a set, per-transaction fee that had been proposed by Paymentus. Council Member Flannery stated the program would also allow other city offices, in addition to the BPU, to accept credit card payments for taxes, permits, and services. Council Member Flannery also indicated the Point & Pay system provided a seamless integration between the credit card payments and the new BS&A Software system.

Council Member Morrisey noted the use of an electronic check payment (“e-check”) would allow a BPU customer to pay a per-transaction fee of \$3.00 for any charges under \$1,000.

Council Member Sharp stated other communities in Hillsdale County used the Point & Pay system for credit card payments. Council Member Sharp also indicated BPU customers would not have to pay a convenience fee if they paid their statements with a check or personal cash.

Council Member Stockford questioned if the city contacted County National Bank in regards to this program since the BPU used that bank for their depository. City Clerk French stated County National Bank did not offer a credit card software program that would integrate with the new BS&A Software. City Clerk French also detailed the “Remote Deposit Capture” system that would allow all city offices to electronically scan and deposit personal checks without having to deliver each check with the daily deposits of cash. City Clerk French stated the “Remote Deposit Capture” was not associated with the Point & Pay software and would be addressed in separate agreements with County National Bank and SMB&T.

Responding to a question from Council Member Zeiser, BPU Director Barber stated the city’s utility paid approximately \$20,000-30,000 per year in credit card fees under its current contract. Mr. Barber stated the new agreement with Point & Pay would eliminate this expense and charge the customer a 3% convenience fee for all payments made with a credit card.

Council Member Bell objected to the new contract as customers would have to pay for convenience fees that they were not paying for under the current contract.

Council Member Flannery noted more businesses were changing their policies and charging customers the convenience fees associated with credit card payments. Council Member Flannery stated some companies and restaurants were raising their prices to cover their credit card fees.

Council Member Morrisey, seconded by Council Member Flannery, moved to approve an electronic payment service agreement with Point & Pay, LLC.

Roll call:	Council Member Bell	No
	Council Member Flannery	Aye
	Council Member Morrisey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 6-1.

New Business

A. Resolution - Airport Advisory Committee Amendment

Council Member Bell offered a resolution to amend the qualifications of those persons who wished to serve on the Airport Advisory Committee (AAC). Council Member Bell stated the amendment to Resolution No. 3193, would allow the AAC membership to include those “who had knowledge and experience in the fields of aviation or business.”

Council Member Stockford voiced support of the resolution and noted the knowledge of aviation should be a paramount factor when selecting members to the AAC. Council Member Stockford stated the committee members were residents who volunteered their time and energy towards an advisory board, and the city should encourage those who wished to become a member on a board or commission.

City Manager Mackie also voiced support of the city administration for the proposed resolution.

Council Member Flannery, seconded by Council Member Bell, moved to adopt Resolution No. 3033, amending the qualifications of the Airport Advisory Committee members.

Roll call:	Council Member Bell	Aye
	Council Member Flannery	Aye
	Council Member Morrisey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 7-0.

B. Appointment of Scott Hephner as Fire Chief

Mayor Sessions appointed Scott Hephner as Fire Chief for the City of Hillsdale Fire Department.

City Manager Mackie reviewed the recent changes in personnel at the Fire Department due to the retirements of Deputy Chief Kevin Pauken and Firefighter Eric Pressler. City Manager Mackie stated the remaining department personnel endorsed the appointment of Mark Hawkins to the Deputy Fire Chief position and appointment of Scott Hephner as Fire Chief.

Council Member Bell voiced support for the appointment of Scott Hephner as Fire Chief and thanked Chief Hephner for his leadership of the Fire Department in recent months.

Council Member Sharp stressed the appointment of Scott Hephner was to the position of Fire Chief and not as Public Safety Chief, as that position had been eliminated in past years.

Council Member Zeiser stated the city was fortunate to have Chief Hephner and thanked retired Fire Chief Pauken for his many years of dedicated service to the city.

Mayor Sessions thanked Chief Hephner for his leadership and service to the city’s police and fire departments.

Council Member Bell, seconded by Council Member Stockford, moved to approve the Mayor’s appointment of Mr. Scott Hephner to the position as Fire Chief.

Roll call:	Council Member Bell	Aye
	Council Member Flannery	Aye
	Council Member Morrisey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 7-0.

C. Establishment of NEZ District #3

City Manager Mackie reviewed the staff recommendation to schedule a public hearing for March 20, 2017 to receive public comments regarding the establishment of Neighborhood Enterprise Zone (NEZ) No. 3. City Manager Mackie stated the proposed zone encompassed lots with large, multi-family homes, many of which were blighted properties and were in violation of the city’s Property Maintenance Code.

Council Member Bell encouraged those interested and those living in the affected area to attend the public hearing on March 20th.

City Manager Mackie stated agreements were required with the property owners within a NEZ that the property improvements be initiated or completed, prior to any tax incentives being approved.

Council Member Morrisey, seconded by Council Member Flannery, moved to schedule a public hearing for March 20, 2017 to receive public comments regarding the establishment of Neighborhood Enterprise Zone (NEZ) No. 3. By a voice vote, the motion passed unanimously.

D. State of Michigan “Discontinuance or Transfer of Payroll or Assets in Whole or Part”

City Manager Mackie stated the proposed staff recommendation would allow the city to report the BPU payroll totals to the State of Michigan using the city’s UIA employer number, instead of using the BPU’s separate UIA number. City Manager Mackie stated the change was consistent with the other reorganization procedures that had been made with the city and BPU offices.

Council Member Zeiser, seconded by Council Member Flannery, moved to approve the submission of the “Discontinuance or Transfer of Payroll or Assets in Whole or Part” form with the State of Michigan as presented.

Roll call:	Council Member Bell	Aye
	Council Member Flannery	Aye
	Council Member Morrisey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 7-0.

Miscellaneous

A. Board & Committee Appointments

Council Member Stockford, seconded by Council Member Flannery, moved to approve the appointment of Mr. Anthony Vear to the Board of Review. By a voice vote, the motion carried unanimously.

City Manager’s Report

City Manager Mackie reported:

- 1. The bid documents for the construction of a new apron at the airport had been sent out and the pre-bid meeting was scheduled for February 14, 2017.
- 2. Two new businesses, the Salvation Army thrift-store & Family, Farm, and Home had opened in the city.
- 3. The Library Board had sent out bids for the repainting of the library building’s exterior. The bid results would be presented to Council in the spring for final approval.
- 4. The next Funding Alternatives Identification & Recommendation (F.A.I.R.) Committee meeting would include representatives from Rep. Eric Leutheuser and Sen. Shirkey’s offices to discuss state revenue sharing and road funding issues. The meeting would most likely be held in early March 2017.
- 6. City Manager Mackie had a family obligation and would not be at the March 20, 2017 Council meeting.

Responding to a question from Council Member Zeiser, City Manager Mackie stated the staff continued to work on site selection for the AT&T cell phone tower, as concerns had been raised at the Planning Commission about the proximity of the new cell tower to the existing WCSR radio tower.

General Public Comment

Mr. Charles Ferguson, owner of Call & Go Now taxi service, reported his business would cease operations and close in late February 2017. Mr. Ferguson stated the insurance coverages required with the new state laws inhibited him from operating the business. Mr. Ferguson also spoke on the transportation needs in the Hillsdale region that were not covered by Dial-a-Ride (DART), including those residents who needed rides to work, doctor's appointments, or grocery shopping.

Mr. Ray Briner encouraged the City of Hillsdale to utilize County National Bank for all the city's banking needs, not just for the BPU funds. Mr. Briner stated County National Bank was headquartered in the City of Hillsdale, while Southern Michigan Bank & Trust was headquartered in the City of Coldwater in Branch County.

Ms. Penny Swan encouraged the city to bank with County National Bank and asked that the audio/visual system be repaired in the Council Chambers.

Council Comments

Council Member Bell thanked Mr. Ferguson for speaking at the meeting and discussed the fragile economy in the city, especially in light of the closing of Broad Street Tavern. Council Member Bell encouraged the Finance Committee to seek proposals from County National Bank for the city's banking needs.

Council Member Stockford thanked Mr. Ferguson for the service he had provided residents throughout the Hillsdale region and noted the passion of Mr. Ferguson for his business. Council Member Stockford also encouraged the Finance Committee to look into utilizing County National Bank, as the bank had provided many community benefits for the area.

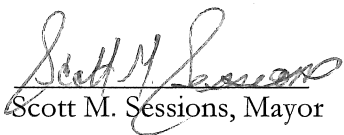
Council Member Zeiser discussed the law of unintended consequences with the new state laws that forced Mr. Ferguson to close his business.

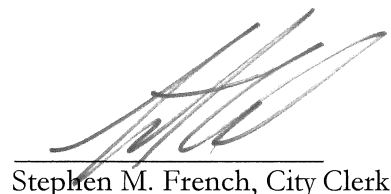
Council Member Morrissey stated he had used Mr. Ferguson's taxi service for transportation to a medical appointment and asked if city staff could communicate with Rep. Eric Leutheuser and Sen. Shirkey's offices regarding this issue.

Adjournment

Council Member Bell, seconded by Council Member Zeiser, moved to adjourn the meeting. By a voice vote, the motion passed unanimously.

The meeting adjourned at 8:13 p.m.


Scott M. Sessions, Mayor


Stephen M. French, City Clerk