

CITY COUNCIL MINUTES

City of Hillsdale
 June 5, 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 Timothy Dixon, Ward 2 William Morrissey, Ward 2 Bruce Sharp, Ward 3 William Zeiser, Ward 3 Matthew Bell, Ward 4
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Council Members absent:	Brian Watkins, Ward 1 Patrick Flannery, Ward 4
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Also present were: City Manager David Mackie, City Clerk Stephen M. French, City Attorney John Lovinger, Bonnie Tew (Finance), Jake Hammel (DPS), Mike Barber (BPU), Chris McArthur (BPU), Mark Hawkins (HCFD), Dustin Sims (HCPD), Alan Becker (Zoning), Corey Murray (Hillsdale Daily News), Jason Walters (Patriot Aviation), Kelly LoPresto (Grants), Shawn Urban, Joseph Hendee, Dennis Wainscott, Shawnae Urban, Lon King, James Galloway, Penny Swan, and Ray Briner.

Council Member Excused

Mayor Sessions reported Council Member Flannery and Council Member Watkins would not be at the meeting due to work obligations.

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

Approval of Agenda

City Manager Mackie requested New Business – Item A (City Manager Annual Review) be removed from the meeting agenda.

Council Member Dixon, seconded by Council Member Sharp, moved to amend the agenda as recommended by City Manager Mackie.

Prior to a vote on the motion, Council Member Bell requested an explanation for the proposed change to the agenda.

Mayor Sessions noted two members of the Operations and Governance Committee were not in attendance at the meeting and City Manager Mackie had requested his evaluation be conducted in Closed Session.

A voice vote was called. After the determination of a voice vote was unclear, a roll call was requested on the motion.

Roll call:	Council Member Bell	No
	Council Member Dixon	Aye
	Council Member Morrissey	No
	Council Member Sharp	Aye
	Council Member Stockford	No
	Council Member Zeiser	No
	Mayor Sessions	Aye

Motion failed 3-4.

City Attorney Lovinger reviewed the provisions of the Open Meetings Act that permitted an employee's evaluation to be discussed in Closed Session.

Council Member Dixon, seconded by Council Member Bell, moved to approve the June 5, 2017 agenda as presented. By a voice vote, the motion carried unanimously.

Public Comment

Ms. Shawnae Urban, 163 N. Manning Street, objected to the proposed 5% pay raise for the City Manager due to the poor financial condition of the city. Ms. Urban stated City Manager Mackie had done a great job as city manager for the city and deserved a raise; however, the city had yet to fill vacant police officer and firefighter positions, and had not begun to maintain or replace city streets.

Mr. Lon King, 18 Foxtail Lane, voiced support for the proposed pay raise for City Manager Mackie and submitted a letter of support in regards to the subject. Mr. King noted the many improvements that had been implemented under City Manager Mackie's leadership and voiced concern that the City Manager may leave for another position if not fairly compensated. Mr. King stated that many of the problems raised by critics of the pay raise were not problems attributed to City Manager Mackie, but were long-standing problems of the City of Hillsdale as a whole.

Mr. Dennis Wainscott, 34 Garden Street, stated City Manager Mackie had done a great job for the City of Hillsdale and questioned if the city could afford the proposed pay raise. Mr. Wainscott stated the citizens had entrusted City Council to make these types of decisions.

Ms. Penny Swan, 192 S. West Street, objected to the proposed 5% pay raise for City Manager Mackie and instead, encouraged Council to approve a one-time bonus or merit payment. Ms. Swan commended the job performance of City Manager Mackie, but noted the poor financial condition of the city could not justify an increase in salary.

Mr. Jason Walters discussed the positive direction, momentum, and community spirit of the City of Hillsdale that have been improved over the past two years.

Mr. Joseph Hendee, 181 Rea Street, objected to the pay raise recommendation of the Operations and Governance Committee. Mr. Hendee stated the city had been unable to maintain its infrastructure, which caused the roads, airport, and infrastructure to fall into disrepair. Mr. Hendee stated grant funds should be directed to the average, Hillsdale residents and not to a select few, such as Hillsdale College and the Hillsdale Airport.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of May 19, 2017: \$56,491.72
 - 2. BPU Claims of May 19, 2017: \$167,777.83
 - 3. Payroll of May 18, 2017: \$143,758.33
Payroll of June 1, 2017: \$155,618.29

- B. City Council Minutes of May 15, 2017 Regular Meeting
- C. April 2017 Financial Reports
- D. First Quarter Report – Hillsdale Police Department
- E. Operations & Governance Committee Meeting Minutes of May 11, 2017
- F. TIFA Façade Grant Committee Meeting Minutes of May 11, 2017
- G. Tax Increment Financing Authority (TIFA) of March 21, 2017
- H. TIFA – Targeted Development Meeting Minutes of April 25, 2017 and May 9, 2017
- I. Planning Commission Meeting Minutes of March 21, 2017 and April 17, 2017
- J. Mrs. Stock’s Park Use Agreement with Mr. Kraig Putnam
- K. Approval of July 3, 2017 Fireworks Display
- L. Approval of Hillsdale County Great American Parade

Council Member Morrissey, seconded by Council Member Dixon, moved to approve the Consent Agenda as presented.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	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. Michigan Unemployment Report by Counties

Mayor Sessions noted the “Michigan Unemployment Report by Counties” report had been included in the meeting packet for reference.

B. Sewage Effluent Discharge Information Release

City Manager Mackie referenced a copy of the information release that referenced the sewage effluent discharge on May 21, 2017. City Manager Mackie stated the City of Hillsdale had contacted the City of Jonesville RiverFest Committee to apologize for the effect of the discharge on their community event, and Jonesville City Manager Jeff Gray had responded and accepted that apology.

BPU Director Barber, responding to a question from Council Member Bell, stated the new generators for the wastewater treatment facility would be delivered within the next two weeks, and would be installed and operational in late August or early September 2017.

Introduction and Adoption of Ordinance/Public Hearing

There were no ordinances or public hearings on the meeting agenda.

Unfinished Business

A. Resolution 3310: Budget Adoption for FY2018

City Manager Mackie provided several highlights of the FY2018 proposed budget, including:

1. The planning for the process began in January 2017 with the development of budget priorities with the City Council, including Resolution No. 3302, which outlined the need for streets repairs and improvements, in addition to sufficient funding public safety and public services.

2. Separate, public meetings were held with Council and department heads to review budget proposals and to discuss the city's budget priorities.
3. The FY2018 budget established a minimum fund balance of 15%.
4. The budget included the addition of a 3.0 mill sinking fund to be used for the debt payments of street improvements and repair. The sinking fund was the recommendation of the Funding Alternatives Identification & Recommendation (F.A.I.R.) Committee membership, who had met to discuss road funding options.
5. A total of \$967,000 was included for road construction and \$200,000 for road maintenance.
6. The city was hopeful to receive a \$2,000,000 grant for the Garden-Vine-Mead-Rippon Streets Project from the State of Michigan's Infrastructure Capacity Enhancement (I.C.E.) Grant program.
7. The budget included the purchase of a new fire engine, funded through the Cemetery Perpetual Care Fund.
8. The personnel changes reducing the number of full-time firefighters had been endorsed by the career firefighters and resulted in budgetary savings to the city.
9. The FY2018 maintained existing service levels as previous years.
10. Many community groups, such as the Kiwanis, Exchange Club, and Rotary Club all continued to work closely with the city staff to help facilitate improvements to city parks and public spaces.
11. Code enforcement would continue to monitor blighted properties and to obtain grant funding to raze structures, when necessary.
11. Funding was included to help support the expansion planned for Paragon Metals. City Manager Mackie stated the project would include \$20.0 million in improvements and create 50 new jobs.
12. The budget allocated funding for a 2% wage increase for non-union personnel, a similar increase than what had been included in the union agreements approved by Council earlier in the fiscal year.

Council Member Bell opposed the establishment of a 3.0 mill sinking fund for road improvements, as the tax increase would be imposed by Council without having the approval of the citizens.

City Attorney Lovinger noted the City Charter required Council to approve the fiscal year budget at the current meeting. Attorney Lovinger also indicated the expense budget had been based on revenue generated from the sinking fund, so that if Council Members were to deny the sinking fund recommendation, the expense budget would have to be reduced by approximately \$367,000.

Council Member Sharp noted the public had stated the highest priority for the city was the improvement and maintenance of city streets. Council Member Sharp stated the tax increase was vital to economic development of the city.

City Manager Mackie stated the level of cuts to city services to make up for the loss of sinking fund revenue would include elimination or reduction of recreation programs, Dial-a-Ride, leaf collection, public safety, and the like. City Manager Mackie stated most residents would pay less property taxes in 2017 than what was paid in 2008 due to the devaluation of property values in the city.

Council Member Stockford stated City Manager Mackie had done what had been asked of him in regards to developing the proposed FY2018 budget. Council Member Stockford stated he was against increasing taxes without having a vote of the people and encouraged the Council to present a ballot question to the voters for a specified street improvement fund.

City Manager Mackie stated the funding for street improvements would be delayed for 1-2 years if Council elected to schedule a special election to determine support for a tax increase.

Council Member Stockford noted his vote at the FAIR Committee was to support the motion that the millage recommendation be presented to Council, and should not have been viewed as support for the actual millage proposal.

Resolution 3310: Budget Adoption for FY2018

Council Member Dixon, seconded by Council Member Morrissey, moved to adopt Resolution 3310: Budget Adoption for FY2018 as presented.

Roll call:	Council Member Bell	No
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	No
	Council Member Zeiser	No
	Mayor Sessions	Aye

Motion passed 4-3.

Resolution 3311: Millage Levy for FY2018

Council Member Bell moved to remove the third paragraph from the resolution and create a new resolution that referenced only the sinking fund millage. The motion died for lack of support

Council Member Dixon discussed the many complaints Council had received about the condition of city streets and the need for the city to fund the necessary improvements. Council Member Dixon stated the only way to fund those necessary improvements was by increasing revenue and not by reducing the city's existing expenditures.

Council Member Sharp discussed the millage that had been approved by the voters in the City of Jonesville and the excellent condition of the streets in that city. Council Member Sharp stated it was vital for the city to improve the streets for economic development.

Council Member Zeiser stated the resolution was not clear that the sinking fund revenue would be dedicated only to the city street program. Council Member Zeiser also stated the tax increase should have been presented to the people instead of being arbitrarily enacted by Council.

Council Member Bell indicated there were other alternatives to fund road repairs other than by raising taxes.

Council Member Zeiser noted the Council may have to change its approach during the budget work sessions and to increase public participation during the development of the budget.

Council Member Morrissey encouraged the city to create a specified page on the website to provide city residents with specific information on road funding and the upcoming schedule of road repairs.

Council Member Dixon noted the disrepair of the city streets and discussed how over 20 miles of roadway required total reconstruction at an approximate cost of \$1.0 million per mile.

City Manager Mackie noted the sinking fund required annual approval by Council and in the future, Council could approve to submit a funding question to the voters, or terminate the use of a sinking fund.

Council Member Dixon, seconded by Council Member Sharp, moved to adopt Resolution 3311: Millage Levy for FY2018.

Roll call:	Council Member Bell	No
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	No
	Council Member Zeiser	No
	Mayor Sessions	Aye

Motion passed 4-3.

Old Business

There was no Old Business on the meeting agenda.

New Business

A. Operations & Governance Committee Report – City Manager Annual Review

Council Member Dixon, seconded by Council Member Sharp, moved to enter into Closed Session under Section 8(e) of the Michigan Open Meetings Act, at the request of the City Manager, to conduct a periodic evaluation of the City Manager as set forth by the Operations and Governance Committee report.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	No
	Council Member Zeiser	Aye
	Mayor Sessions	Aye

Motion passed 6-1.

Council recessed into Closed Session at 8:30 p.m.

Council Member Bell, seconded by Council Member Zeiser, moved to reconvene the meeting into Open Session. By a voice vote, the motion passed unanimously.

Council reconvened into Open Session at 9:20 p.m.

Council Member Dixon, seconded by Council Member Stockford, moved to approve the Operations & Governance Committee Report and salary recommendation concerning the City Manager's Annual Review as submitted.

Council Member Stockford rescinded his second of the motion.

Council Member Bell seconded the motion offered by Council Member Dixon.

Roll call:	Council Member Bell	No
	Council Member Dixon	Aye
	Council Member Morrissey	No
	Council Member Sharp	No
	Council Member Stockford	No
	Council Member Zeiser	No
	Mayor Sessions	Aye

Motion failed by a vote of 2-5.

Council Member Bell, seconded by Council Member Sharp, moved to refer the item back to the Operations & Governance Committee with special instructions to look into a bonus structure payment to City Manager Mackie for the current year only, with a specific preclusion that the committee not discuss a percentage salary raise.

Roll call:	Council Member Bell	Aye
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Council Member Zeiser	Aye
	Mayor Sessions	No

Motion passed by a vote of 6-1.

B. Lot division approval request - 74 & 76 East Sharp Street

Council Member Morrissey, seconded by Council Member Dixon, moved to approve a Land Division application from Mr. Ryan Tracy, 74 East Sharp Street, with the condition that the split property be combined with an adjacent parcel as proposed.

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

Motion passed by a vote of 7-0.

C. Repainting and Maintenance to South Street Water Tower

BPU Director Barber provided a review of the contract to repaint and maintain the South Street water tower, which had been recommended by the BPU Board at their previous meeting. Mr. Barber stated the project was included in the FY2018 budget; however, the approval prior to July 1st would allow the contractor to schedule the project and would lock-in the project costs.

Responding to a question from Council Member Bell, Director Barber stated the BPU had not received any proposals or requests to include a city slogan, such as "It's the People", to the water tower.

Council Member Sharp, seconded by Council Member Bell, moved to approve a contract with Seven Brothers Painting, Inc. in the bid amount of \$266,400 for the repainting and maintenance to South Street Water Tower; and, to approve a contract with Dixon Engineering in the amount of \$23,500 to provide project management and inspection services for the project.

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

Motion passed by a vote of 7-0.

D. Draft Telecommunications Tower Ordinance – Discussion

City Manager Mackie referenced a draft telecommunications tower ordinance that had been presented by Council Member Watkins following the last meeting. City Manager Mackie noted the adoption process of this type of ordinance should also include the review and recommendation of the city's Planning Commission.

City Attorney Lovinger noted the proposed piece of legislation required extensive legal review prior to adoption and stated a recommended ordinance could not be completed in time for the June 19, 2017 Council Meeting.

Council Member Bell voiced opposition to the proposed ordinance.

Miscellaneous

City Manager Mackie noted the proposed members of the Brownfield Redevelopment Authority (BRA) were all current members of the Economic Development Authority. City Manager Mackie also reported the BRA had not met in several years.

Council Member Bell, seconded by Council Member Dixon, moved to appoint the following members to the Brownfield Redevelopment Authority (BRA).

1. David Loader
2. Matt Granata
3. Amanda Janes
4. Gary Wolfram
5. Mike Harner

By a voice vote, the motion passed unanimously.

City Manager's Report

City Manager Mackie:

1. A presentation by the Center for Family Health would be included on the June 19, 2017 Council Meeting agenda.
2. The June 19, 2017 Council Meeting agenda would also include several items related to the construction of the new airport apron.
3. City staff expected the pension actuarial report to be received in the next couple of weeks. City Manager Mackie stated the city anticipated that the new financial calculations would reduce the city's unfunded pension liabilities.
4. The staff from CGI Communications would be in Hillsdale next week to create and film the new welcome videos for the city's website.

General Public Comment

City Clerk French announced the change-over to the new BS&A Software would be implemented Monday, June 19, 2017 and new credit card and re-occurring payment policies would begin on that day for the BPU customers. City Clerk French also stated credit card payments would be accepted for other charges such as permits, fines, inspections, and the like.

Mr. Joseph Hendee discussed the need for improved roads to promote business expansion in the city. Mr. Hendee also alleged the City Council violated the Open Meetings Act (OMA) by discussing the City Manager's salary increase in Closed Session.

City Attorney Lovinger stated the City Council was not in violation of the Open Meetings Act as the recommended salary increase was part of the employee review process.

Ms. Penny Swan encouraged the city to address the problems associated with the fireworks on the Fourth of July and the need to restrict the use of fireworks past a reasonable time.

Council Comments

There were no Council Comments offered.

Adjournment

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


June 5, 2017

City Council Minutes

The meeting adjourned at 9:43 p.m.



Scott M. Sessions, Mayor



Stephen M. French, City Clerk