

Council Chambers  
Hillsdale City Hall  
97 N. Broad St.  
Hillsdale, MI 49242

March 3, 2014  
7:00 p.m.  
(517)437-6441  
[www.cityofhillsdale.org](http://www.cityofhillsdale.org)

## CITY COUNCIL MINUTES

City of Hillsdale  
Regular Meeting

### Call to Order and Pledge of Allegiance

Mayor Scott M. Sessions opened the meeting with the pledge of allegiance.

### Roll Call

Mayor Scott Sessions called the meeting to order with the following Council members present: Council members Brian Watkins and Adam Stockford representing Ward One; Council member Sally Kinney representing Ward Two; Council member Emily Stack Davis Ward Three; and Council members Patrick Flannery and Mary Beth Bail representing Ward Four.

Also present were City Manager Linda Brown, City Clerk Robilyn Swisher, City Attorney Lew Loren, Senator Bruce Caswell, Keith Richard, Eric Swisher, Nate Rusk, Samuel Nutter, Ryan and Maria Servold, Matt Durr, Doug Moon, and Casey Sullivan.

### Approval of Agenda and Consent Agenda from February 17, 2014 Council Meeting

Motion by Councilperson Watkins, supported by Councilperson Stockford, to approve the Agenda and Consent agenda as presented. Roll call: Mayor Sessions – yes; Councilpersons Bail – yes; Stack-Davis – yes; Flannery – yes; Kinney – yes; Stockford – yes; Watkins – yes.

Approved 7-0.

Motion carried.

### Approval of Agenda

Motion by Councilperson Watkins, supported by Councilperson Davis to approve the March 3, 2014 Agenda as presented.

All ayes.

Motion carried.

### Public Comment

Senator Bruce Caswell addressed council on the changes to Michigan's Recall Law and the Partial Personal Property Tax Elimination. Senator Caswell explained the recall process and election process for a primary election involving a recall. When addressing council on the Partial Personal Property Tax Elimination Senator Caswell explained that the question will be on the ballot as follows; should we take a portion of a current tax (the Use Tax) and move it over to a reimbursement bag. Senator Caswell went on to explain that it is not a new tax and it is not raising taxes but simply moving tax money from one location to another. He went on to explain that if it was voted down the program would be phased out over a period of six years. If the voters vote yes the state will move forward with the program. This means that the first year communities would get reimbursed 100% for industrial personal property, with that amount decreasing by 5% each year following. Communities will have an opportunity to be reimbursed for more than the set amount for each year based on whether their economic development is higher than the state average for that year. This is a way to give communities incentive to go out and bring new business into their community. Senator Caswell also went over the state budget and how the different categories of the budget can be used. He also explained what portion of the budget was used on towards the transportation fund. He went on to explain how money is used for projects verses being used according to the formula called Public Act 51. Senator Caswell also explained different avenues for raising money for our transportation fund and the revenue that these different avenues would bring in for the transportation fund.

Councilperson Watkins asked if there was a discussion about getting rid of the gas tax all together and just using a sales tax. Senator Caswell stated that there was discussion on getting rid

SENATOR  
BRUCE  
CASWELL

of the sales tax on gasoline but the problem with that is that three quarters of that money goes towards our education fund, and the schools cannot afford to lose that money.

City Manager Linda Brown asked if we would be able to get revenue sharing money for street repairs without being restricted on how it has to be used since you have stepped away from the formula. City Manager Brown explained that the small urban boundary really limits our use of that money because we only have a few streets that can be used on.

Senator Caswell stated that if we step away from the formula then the money will be dived up according to projects and he does not believe many rural communities will see any of that money. He believes that the formula works best for the rural communities. Senator Caswell also explained that some of the strings that were attached as to how the money can be used have been changed in the past to give some leeway as to how the money can be used according to the formula.

Maria Servold, 105 Riverdale, stated that her house was one of the houses that were affected by the water main freezing on Buena Vista. Maria felt the council should know that they have been without water twice in one year and she feels that it is an ongoing problem that needs to be looked into and fixed.

### Consent Agenda

- A. Approval of Bills from February 13, 2014: Claims of \$130,402.87 Payroll of \$96,552.21
- B. Committee Reports (Pending Approval):
  - Planning Commission 12-17-13
  - EDC 12-19-13
  - Public Service 1-16-14
- C. Council Minutes 2-17-14

Motion by Councilperson Watkins, supported by Councilperson Davis, to approve the Consent agenda as presented. Roll call: Councilperson Watkins – yes, Mayor Sessions – yes; Councilpersons Bail – yes; Stack-Davis – yes; Flannery – yes; Kinney – yes; Stockford – yes.

Approved 7-0.

Motion carried.

### Communications and Petitions

None

### Introduction and Adoption of Ordinances/Public Hearings

None

### Unfinished Business

- A. Local Streets Maintenance
- B. Code Enforcement.

### Old Business

None

### New Business

#### A. Rental Rehab

City Manager Linda Brown stated that there are three or four possible properties downtown that will qualify for this program. The program provides assistance with the renovation to create living space in the second and third stories of downtown buildings.

City Manager Brown suggests that the city adopt the Rental Rehab policies subject to the completion to legal review and move this project forward.

Motion by Councilperson Flannery, supported by Councilperson Watkins, to adopt the Rental Rehab Policies subject to the completion of legal review. Roll call: Councilpersons Stockford – yes; Watkins – yes, Mayor Sessions – yes; Councilpersons Bail – yes; Stack-Davis – yes; Flannery – yes; Kinney – yes.

RENTAL  
REHAB

Approved 7-0.

Motion carried.

B. Millpond Dam

City Manager Linda Brown explained that there are repairs that need done to the Millpond and a contract was approved to do the repairs but, after receiving the DEQ's requirements, the contractor increased his price significantly and the contract went uncompleted. City Manager Brown stated at a recently scheduled meeting with representatives from the DNR, DEQ, Keith Richards, with Councilperson Watkins participating via telephone conference, it was suggested that the Millpond Dam is appropriate for consideration of removal. In fact the DNR representative expressed that they would prefer the dam be removed and the stream go back to its natural course. The DNR indicated that there are several grant opportunities to help with the removal of the dam. The first step in determining the cost for removal would be to do sediment sampling and testing.

MILLPOND  
DAM

City Manager Linda Brown suggests Council authorize her to obtain three proposals for the sediment testing which she believes will be under \$10,000.

Motion by Councilperson Watkins, supported by Councilperson Kinney, to authorize City Manager Brown to obtain three proposals for Millpond Dam sediment testing. Roll call: Councilpersons Kinney - yes; Stockford - yes; Watkins - yes, Mayor Sessions - yes; Councilpersons Bail - yes; Stack-Davis - yes; Flannery - yes.

Approved 7-0.

Motion carried.

C. City Manager Contract

Councilperson Watkins, as chair of the Operations and Governances Committee, stated that City Manager Brown's contract ends in May of this year and the O and G committee overwhelmingly supported keeping City Manager Brown. Councilperson Watkins suggests that council vote to go forward with working on the new contract with City Manager Brown.

CITY  
MANAGER  
CONTRACT

Councilperson Davis stated that she did not feel she had adequate information, such as job performance reviews, ahead of time to make such an important decision. Councilperson Davis did not feel the agenda was clear that this would be voted on at this meeting and felt she needed more time to look into the City Managers performance as well as have a conversation with her before voting on the subject.

Councilperson Flanner agreed with Councilperson Davis and added that he felt the public was not properly informed that this would be voted on at this meeting as well.

Councilperson Stockford agreed with Councilpersons Davis and Flannery.

Motion by Councilperson Davis, supported by Councilperson Flannery, to table the vote on the City Manager Contract until the March 16, 2014 meeting. Roll call: Councilpersons Flannery - yes Kinney - no; Stockford - yes; Watkins - no, Mayor Sessions - no; Councilpersons Bail - no; Stack-Davis - yes.

Voted 3-4.

Motion fails.

Motion by Councilperson Watkins, supported by Councilperson Kinney, to allow the Operation and Governances Committee to work on the contract with City Manager Linda Brown. Roll call: Councilpersons Stack-Davis - no; Flannery - yes Kinney - yes; Stockford - yes; Watkins - yes, Mayor Sessions - yes; Councilperson Bail - yes.

Approved 6-1.

Motion carried.

Miscellaneous

Appointments:

APPOINT-  
MENTS

Sam Nutter: Board of Special Assessors  
For a term to end November of 2014

Motion by Councilperson Watkins, supported by Councilperson Kinney, to approve appointments as presented. Roll call: Councilpersons Bail – yes; Stack-Davis – yes; Flannery – yes; Kinney – yes; Stockford – yes; Watkins – yes, Mayor Sessions – yes;

Approved 7-0.

Motion carried.

Councilperson Flannery excuses himself and leaves meeting.

#### General Public Comment

SENATOR CASWELL  
 Senator Caswell stated that for purposes of the city budget the Governor stated that there will be a 3% increase in the Constitutional Revenue Sharing coming back to you, but to be cautious about building that into your budget for the year.

Doug Moon, 123 State St, stated to council the importance of being at the committee meetings. Doug was disappointed to find out that Councilperson Flannery was not at the previous O & G meeting when the committee had discussed the City Manager's contract. Doug also agreed with Mayor Sessions that there needs to be some consistency in the City Manager position.

#### Council Comment

Councilperson Watkins clarified that the City Managers Contract had been sent to the O and G board by council for review, but it was the previous council the referred it to the committee. The new members were not involved in that.

Councilperson Davis stated that the recommendation in the agenda packet under the City Manager Contract was none.

City Manager Brown clarified that was because that was her memo and she did not feel it was appropriate for her to make a recommendation.

Councilperson Stockford stated that he thought there was an email where someone had asked if we were voting on this tonight. Councilperson Davis said that she had emailed Brian had replied that it would be discussed at the Council Meeting. Councilperson Watkins stated that it was a continuation from a previous meeting and he apologized if it felt like they were trying to move anything quickly. We were just finishing up old business.

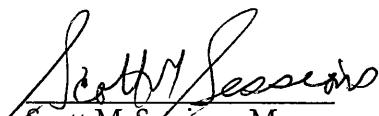
#### Adjournment

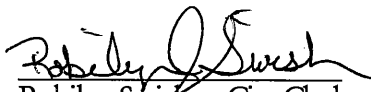
Motion by Councilmember Watkins, seconded by Councilmember Kinney, to adjourn.

All ayes

Motion carried.

8:04 p.m.

  
 Scott M. Sessions, Mayor

  
 Robilyn Swisher, City Clerk