

## CITY COUNCIL MINUTES

City of Hillsdale  
July 18, 2016  
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 Bruce Sharp, Ward 3 Patrick Flannery, Ward 4
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Council Members absent:	Brian Watkins, Ward 1 Matthew Bell, Ward 4
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Also present were: City Manager David Mackie, City Clerk Stephen M. French, City Attorney John Lovinger, City Attorney Tom Thompson, Finance Director Bonnie Tew, Kay Freese (HR), Jason Walters (Patriot Aviation), Jake Hammel (DPS), Mike Barber (BPU), Dawn Townley (BPU), Bob Batt (BPU), Duke Anderson (BPU), Jeff Pugh & Josh Redner (Fleis & VanderBrink), Jim White (Mika Meyers), Brian Camiller (Plante Moran), Derek Spiteri, Julian Kast, David Griglio, Dennis Wainscott, Bill Zeiser, and Penny Swan.

### **Council Members Excused**

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

### **Moment of Silence**

At the request of Council Member Stockford, a moment of silence was held to remember the police officers recently murdered in Dallas, TX and New Orleans, LA.

### **Approval of Agenda**

Council Member Flannery, seconded by Council Member Stockford, moved to approve the July 18, 2016 agenda as presented. By a voice vote, the motion carried unanimously.

### **Public Comment**

Mr. Dave Griglio, 363 North West Street, discussed a recent code violation he had recently received and the district court fees that were assessed with the fine. Mr. Griglio felt he had not been properly noticed of the court date since he had vacationed in Florida during the winter months. Mr. Griglio requested the City of Hillsdale expunge the fines, as the code violations were minor in nature.

Ms. Penny Swan, 192 South West Street, reiterated the problems with hearing the discussions of the Council Members, due to the on-going microphone and speaker issues. Ms. Swan also objected to having a background check required for all city volunteers. Ms. Swan finalized her comments by voicing support for the liquor license request from Mr. Derek Spiteri.

### Consent Agenda

- A. Approval of Bills
  - 1. Payroll:
    - a. June 16, 2016: \$94,067.96
    - b. June 30, 2016: \$95,701.09
    - c. July 14, 2016: \$104,405.29
  - 2. Claims:
    - a. June 20, 2016: \$237,676.34
    - b. June 30, 2016: \$178,159.04
- B. Economic Development Corporation Minutes of April 28, 2016
- C. City Council Meeting Minutes of June 20, 2016
- D. The "Molly McNew Memorial Group/Molly's Glitter Run" Use Agreement
- E. June 2016 Code Enforcement Report
- F. June 2016 Hillsdale Policy Group Report
- G. Operations & Governance Committee Meeting Minutes of June 21, 2016
- H. City Manager's Evaluation

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

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Mayor Sessions	Aye

Motion passed 5-0.

### Communications/Petitions

- A. Communication from Ms. Martha Smith

A communication was received from Ms. Martha Smith requesting Council speak directly into the microphones, so the audience at the meeting, and those listening on-line, could more easily hear their discussions.

- B. 2016 Infrastructure Capacity Enhancement (ICE) Program

A communication was received from the Michigan Economic Development Corporation (MEDC) indicating the City of Hillsdale was not selected for a Michigan Strategic Fund (MSF) Community Development Block Grant (CDBG).

### Introduction and Adoption of Ordinance/Public Hearing

No public hearings were included on the agenda.

### Unfinished Business

There was no Unfinished Business on the agenda.

**Old Business**

## A. New City Entrance Marker Signs

City Manager Mackie reported two, new entrance signs to the City would be installed on M-99 at the northern and southern city limits, after the City Council had approved the concept in January 2014. City Manager Mackie noted Hillsdale College had offered to purchase and install the new signs, in addition to new landscaping around the signs. City Manager Mackie referenced the artist renderings of the signs were provided in the Council papers for the meeting and thanked Hillsdale College for their generosity.

## B. Resolution 3289: A Resolution to approve the use of the City of Hillsdale volunteer services agreement and to allow the City Manager to sign the individual agreements on behalf of the City

City Manager Mackie reviewed the changes recommended by the Operations and Governance Committee to the volunteer service agreement concept. City Manager Mackie reported the committee had recommended Council approve the agreement, with the changed that the use of the form & agreement, as well as the background check, would be used at the discretion of the City Manager.

Council Member Dixon noted the adoption resolution would need to be updated to mirror the changes recommended by the Operations and Governance Committee.

Council Member Stockford voiced opposition to the recommendation, and discussed his concern with the discretionary use of the criminal background checks.

Council Member Flannery moved, seconded by Council Member Sharp, to adopt Resolution 3289: "A Resolution to approve the use of the City of Hillsdale volunteer services agreement and to allow the City Manager to sign the individual agreements on behalf of the City", with necessary amendments to the resolution to reflect the recommendations of the Operations and Governance Committee.

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	No
	Mayor Sessions	Aye

Motion passed 4-1.

**New Business**

## A. Water and Sewer Utility Rate Model

Mr. Brian Camiller, representing Plante Moran, provided a Water & Sewer Rate Model for years ending June 30, 2017-2021. Mr. Camiller stated the model calculated, based on BPU management's assumptions, what the utility rates should be in order to achieve, and then maintain, a targeted level of modified working capital over an extended period of time. Mr. Camiller highlighted the on-going capital improvements to the wastewater system, the absence of budgeted, working capital for the utility, and the capital improvements needed in the upcoming five years. Mr. Camiller also indicated the Readiness To Service (RTS) charge would remain the same over the five-year period of the model.

Mr. Camiller detailed the recommended rate increases, which would include a 9% rate increase for water for all five years; and, a wastewater rate increase of 75% in the first year, and 3.88% increases in years 2-5. Mr. Camiller discussed the advantages of having a large increase in the first year, followed by nominal increases in future years versus a consistent rate increase of 23.5% over all five years of the rate model.

Mr. Camiller noted that if the assumptions in the rate model held true, and with the suggested rate increases, both the water and wastewater operations would achieve the targeted level of modified working capital after the forecasted five years.

Council Member Sharp discussed the dire need for improvements at the wastewater facility and noted the rate increases were necessary to fund these necessary repairs. Council Member Sharp commended the BPU Board for their thorough review and recommendation.

Council Member Flannery also discussed the need to address the solvency of the wastewater fund and voiced support for the rate model recommendation.

Mayor Sessions also thanked the BPU Board for their involvement in the review process.

Council Member Flannery, seconded by Council Member Stockford, moved to approve the BPU Rate Model as presented and authorized the first year rate increases as detailed in the model.

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Mayor Sessions	Aye

Motion passed 5-0.

B. Resolution 3290: A Resolution to Purchase, Acquire, and Construct Improvements to the City of Hillsdale Sanitary Sewer System, To Authorize Publication of Notice of Intent to Issue Revenue Bonds and to Declare Intent to Reimburse Expenditures for Project From Bond Proceeds

Mr. Jeff Pugh, representing Fleis & VanderBrink, provided a brief review of the improvements being performed at the city's wastewater facility that had been funded with \$7.2 million revenue bonding in 2014. Mr. Pugh noted Segment 2 funding was necessary to provide stand-by generator power to the plant in case of power failure, as well as contingency funding for soil contamination that had been found in recent weeks. Mr. Pugh stated the additional \$2.0 million revenue bonds would be used to fund improvements that had been removed from the original project scope, as well as a \$300,000 contingency for the soil contamination issue.

City Manager Mackie noted the recommended improvements were necessary based on current requirements of the State of Michigan and environmental oversight agencies.

Mr. Jim White of Mika Meyers, provided financial information on revenue bonds and discussed the investment-grade rating of the bond sale.

Council Member Flannery, seconded by Council Member Stockford, moved to adopt "Resolution 3290: A Resolution to Purchase, Acquire, and Construct Improvements to the City of Hillsdale Sanitary Sewer System, To Authorize Publication of Notice of Intent to Issue Revenue Bonds and to Declare Intent to Reimburse Expenditures for Project From Bond Proceeds."

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Mayor Sessions	Aye

Motion passed 5-0.

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## C. Teamsters Local 214 Bargaining Agreement

Council Member Flannery, seconded by Council Member Dixon, moved approve the Teamsters Local 214 Bargaining Unit agreement as ratified.

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Mayor Sessions	Aye

Motion passed 5-0.

## D. Resolution 3291: A resolution to recommend the issuance of a LCC-150 Manufacturer &amp; Wholesale Liquor License to Mr. Derek Spiteri

Mr. Spiteri provided a brief review of the license request, which would allow the production of up to 60,000 barrels of liquor per year. Mr. Spiteri indicated the specific project would produce much less than this quantity, and would concentrate on the production of a unique, coffee-inspired beer menu. Mr. Spiteri stated the establishment would be open from 10:00 a.m. until 10:00 p.m. and had a targeted, opening date of late August 2016.

Council Member Stockford and Council Member Sharp both commended Mr. Spiteri for his business endeavor and noted the business was a welcome addition to the city.

Council Member Flannery moved, seconded by Council Member Dixon, to adopt Resolution 3291: "A resolution to recommend the issuance of a LCC-150 Manufacturer & Wholesale Liquor License to Mr. Derek Spiteri."

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Mayor Sessions	Aye

Motion passed 5-0.

## E. Established a Public Hearing for August 1, 2016 for an Application for Obsolete Property Rehabilitation Exemption Certificate (OPRA) for property located at 25 Hillsdale Street, owned by Happy Pants, LLC

Council Member Flannery moved, seconded by Council Member Dixon, to establish a Public Hearing for August 1, 2016 regarding an Application for Obsolete Property Rehabilitation Exemption Certificate (OPRA) for property located at 25 Hillsdale Street, owned by Happy Pants, LLC.

Roll call:	Council Member Dixon	Aye
	Council Member Flannery	Aye
	Council Member Sharp	Aye
	Council Member Stockford	Aye
	Mayor Sessions	Aye

Motion passed 5-0.

**Miscellaneous****A. Appointments**

Council Member Flannery moved, supported by Council Member Stockford, to approve the following appointments to the Election Commission:

1. Ms. Darnella LoPresto
2. Ms. Jean Porter
3. Ms. Julie Yoder

By a voice vote, the motion passed unanimously.

Council Member Flannery moved, supported by Council Member Sharp, to approve the following appointments to the Tax Increment Financing Authority (TIFA):

1. Chris Sumnar
2. Mike Harner
3. Saul Giminez

By a voice vote, the motion passed unanimously.

**B. City Manager's Report**

City Manager Mackie reported on the following:

1. The August 1, 2016 Council meeting will include discussion on the use of fireworks within the city limits, due to numerous complaints from city residents.
2. Additional volunteers were still needed for the FAIR (Funding Alternatives – Identification and Recommendation) Committee, including representatives from the general public, non-profit organizations, and business representatives.
3. Updates on the city's Action Plan would be presented at the August 1<sup>st</sup> Council Meeting.
4. City staff planned to provide a report at the August 1<sup>st</sup> Council meeting on the Recreation Department and the use of the city parks during the first half of the summer.
5. The grant for the Gordon/Mead/Vine Street project was denied, in part, due to the fact that engineered drawings for the project were not available. City Manager Mackie stated engineering had begun on multiple projects throughout the city to improve opportunities in future grant applications.
6. The construction project for the new apron at the airport had been appropriated at the state level, and contracts for the project were anticipated to be provided for review to Council within the next month.

**General Public Comment**

Ms. Penny Swan discussed the on-going problem with fireworks in her neighborhood and stated the fireworks continued well-past the July 4<sup>th</sup> holiday and lasted until 2:00 a.m. on some nights. Ms. Swan encouraged the Council to hold discussions regarding the restricted use of fireworks in the city.

Ms. Dennis Wainscott, 34 Garden Street, welcomed Mr. Spiteri and his new business venture to the city.

**Council Comments**

Council Member Sharp noted the excellent performance review of City Manager Mackie and commended the City Manager's efforts during his first year at the City of Hillsdale. Council Member Sharp also commended the work performed by BPU Director Barber and DPS Director Hammel. Council Member Sharp noted the excellent appearance of Sandy Beach, the great July 4<sup>th</sup> celebration, the progress made at the airport, and the new businesses that had been established in the city.

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Council Member Flannery praised the increase in traffic throughout the downtown area due to the sidewalk sales and Farmer's Market in recent weekends. Council Member Flannery also commended City Manager Mackie for his job performance in his first year in Hillsdale.


Council Member Stockford supported the excellent job performance reviews of City Manager Mackie, as well as the administrative staff of the city. Council Member Stockford also discussed the need for a new hotel in the City of Hillsdale and questioned if the MEDC could assist the city with this endeavor. Council Member Stockford noted the problem with goose droppings at Sandy Beach and questioned if there was a remedy to control the goose population in the area.

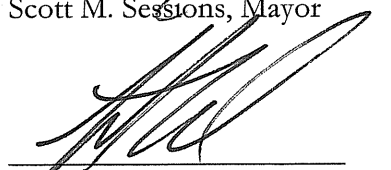
Mayor Sessions commended the work of City Manager Mackie during his first year at the City of Hillsdale.

### Adjournment

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

The meeting adjourned at 8:15 p.m.

  
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Scott M. Sessions, Mayor

  
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Stephen M. French, City Clerk