

CITY COUNCIL MINUTES

City of Hillsdale
August 15, 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 Brian Watkins, Ward 1 Timothy Dixon, Ward 2 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:	None
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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), Scott Hephner (HCPD), Kevin Pauken (HCFD), Jake Hammel (DPS), Mike Barber (BPU), Chris McArthur (BPU), Mary Wolfram (Hillsdale Policy Group), Jason Walters (Patriot Aviation), Dave Wheeler (Marvco), Rhonda Crall, Chris Sumnar, Richard Wunsch, Dennis Wainscott, Amber Zeiser, and Penny Swan.

Administration of Oath of Office

City Clerk French administered the oath of office to Mr. William Morrissey, Council Member for Ward 2 and Mr. William Zeiser, Council Member for Ward 3.

Approval of Agenda

Council Member Bell, seconded by Council Member Flannery, moved to approve the August 15, 2016 agenda as presented. By a voice vote, the motion carried unanimously.

Public Comment

Chris Sumnar, Board Member of the BPU, spoke in support of the appointment of Dr. Gary Wolfram to the BPU Board. Mr. Sumnar stated he had worked with Dr. Wolfram on other committees related to the BPU and spoke of Dr. Wolfram's extensive experience on utility finance in the State of Michigan.

Peggy Swan, 192 South West Street, discussed troubles she had encountered while voting in the August primary election, which included privacy issues while tabulating her ballot. Ms. Swan also voiced opposition to the appointment of Dr. Wolfram to the BPU Board and noted the apparent conflict-of-interest with Dr. Wolfram serving on the BPU Board and being affiliated with Hillsdale Policy Group.

Consent Agenda

- A. Approval of Bills
 - 1. Payroll: \$110,563.26
 - 2. Claims of August 11, 2016: \$128,968.01
- B. City Council Minutes from August 1, 2016
- C. July 2016 Code Enforcement Report

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

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

Motion passed 9-0.

Communications/Petitions

- A. Community Improvement

City Manager Mackie stated an agenda item entitled "Community Improvement" would be included on future agendas following the development of the city's Action Plan.

City Manager Mackie reported the city's Tax Increment Financing Authority (TIFA) had recently agreed to a purchase agreement for the Dawn Theater and the Keefer House to help promote the redevelopment of the two buildings in the downtown area. City Manager Mackie stated the TIFA representatives were speaking with redevelopers regarding potential re-uses for the sites.

Police Chief Hephner provided an update on the one-year implementation plan of the Action Plan. Chief Hephner stated the Child Abuse Prevention and Awareness (CAPA) had sponsored a movie night on June 17, 2016 and the BPU had scheduled two, additional movie nights in August at Mrs. Stock's Park.

Introduction and Adoption of Ordinance/Public Hearing

- A. Public Hearing regarding the CDBG grant close-out for the Stock's Mill Project

Mayor Sessions opened a Public Hearing to receive public comments regarding the Community Development Block Grant (CDBG) grant close-out for the Stock's Mill Project

Mary Wolfram discussed the private investments that had been utilized with the CDBG public grant funds for the project and reported the \$82,000 grant had spurred private investments totaling over \$159,000 for the project. Ms. Wolfram stated the project had also resulted in the creation of five, new jobs at the site.

Mr. Wheeler of Mar-Vo Mineral Company, thanked City Council for the assistance provided for the project, including many hours provided by Ms. Wolfram. Mr. Wheeler noted there was great potential for the facility and work had progressed far ahead of schedule at the site. Mr. Wheeler stated that additional work would be completed surrounding the exterior of the site later in the calendar year. Mr. Wheeler invited members of the City Council to visit the site for a tour.

Responding to a question from Council Member Stockford, Mr. Wheeler stated four, manufacturing jobs and one sales position had been created at the site. Mr. Wheeler stated these jobs were new additions to the company and not job transfers from their facility in Osseo.

Council Member Bell thanked Mr. Wheeler for sharing information about his new business location. Mayor Sessions closed the public hearing.

Ms. Wolfram noted the only remaining item to complete in regards to this grant was a federally mandated audit, which would be performed in the upcoming months.

Unfinished Business

There was no Unfinished Business on the agenda.

Old Business

A. Action Plan Update

Chief Hephner provided an update on the city's Action Plan and the one-year Task Completion Schedule. Chief Hephner reported all items on the report for June 2016 had been completed except for the installation of the drinking fountain at Fields of Dreams. Chief Hephner indicated there was an issue regarding funding from a local service club for the project that had delayed this installation. Chief Hephner noted the city had identified funds within the Fields of Dreams account that would be used for the project if the issue with the service club was not resolved.

Chief Hephner reported all items on the report for July 2016 had been completed, although the item to invite organizations to speak on workforce development issues had been moved to September 2016.

Chief Hephner reported the completion of the August 2016 items continued, which included the volleyball court improvements at Sandy Beach, the survey of prioritizing community needs, and the on-going discussions of fiber-optic improvements in the city.

Chief Hephner reported two items (airport apron bid advertisement and walking path improvements) on the September 2016 schedule had already been completed.

Chief Hephner reminded Council that the quarterly "Coffee with Council" invitations were to be sent in the upcoming weeks and specifics for the program needed to be finalized so appropriate arrangements could be made.

New Business

A. Lot Division – Economic Development Corporation – division of Lot 16 of the Three Meadows Subdivision (Parcel #006-327-340-16)

Responding to a question from Council Member Zeiser, Ms. Wolfram briefly reviewed the Economic Development Corporation's (EDC's) involvement and ownership of the Three Meadows sub-division.

Council Member Sharp voiced support for the recommendation and noted the lots within the Three Meadows plat were generally too small as engineered.

Council Member Flannery, seconded by Council Member Sharp, moved to approve the Lot Division request of the Economic Development Corporation regarding the division of Lot 16 of the Three Meadows Subdivision (Parcel #006-327-340-16).

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

Motion passed 9-0.

B. Resolution 3293: Identification change from the Michigan Local Government Management Association (MLGMA) to the Michigan Municipal Executive

City Manager Mackie indicated the recommendation was to publically acknowledge the name change of the MLGMA, which was an affiliated agency with the MML. City Manager Mackie stated the organization provided training and support to municipal, management leaders in Michigan's cities.

Council Member Bell voiced opposition to the resolution and described the request as presented.

Council Member Flannery agreed with the comments made by Council Member Bell and indicated the requested resolution was overly bureaucratic.

Council Member Watkins, seconded by Council Member Sharp, moved to approve Resolution 3293: "Identification change from the Michigan Local Government Management Association (MLGMA) to the Michigan Municipal Executive."

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

Motion passed 5-4.

Miscellaneous

A. Appointments of Dr. Gary Wolfram to the Board of Public Utilities (BPU)

City Manager Mackie reported the recommendation from the BPU Board was based on the connection of Dr. Wolfram to Hillsdale College and to his extensive experience and research involving municipal finance and public utilities in the State of Michigan.

Mr. Sumnar stated the BPU Board had multiple vacancies and Dr. Wolfram was an excellent candidate, based on his experience and knowledge.

City Attorney Lovinger reported there was no conflict of interest with this appointment, as any contractual payments made to the Hillsdale Policy Group were being paid by the City of Hillsdale directly, and not by the BPU. City Attorney Lovinger also noted Dr. Wolfram was not an employee of the City of Hillsdale, but rather an independent contractor.

Council Member Stockford noted Dr. Wolfram would be an excellent candidate for the BPU Board based on his qualifications, but voiced objection to the appointment based on the appearance of a conflict of interest between Dr. Wolfram, the Hillsdale Policy Group (HPG), and the BPU

Board. Council Member Stockford stated that over the past year, the City of Hillsdale and the Hillsdale BPU had worked to unify its organization under one umbrella, so any change of contractual payments between HPG and the BPU were immaterial and did not resolve the appearance of the conflict of interest.

Council Member Bell also spoke highly of Dr. Wolfram's credentials, but encouraged the BPU to utilize Dr. Wolfram's talents through the avenue of the Hillsdale Policy Group and not as a member of the BPU Board. Council Member Bell noted the public perception of the appointment was very poor, even though the City Attorney had opined there was no actual conflict.

Council Member Sharp stated the city maintained ownership of the BPU and the City Council had the final say on most BPU Board actions. Council Member Sharp also confirmed the BPU members were paid for their attendance at board meetings and questioned if the BPU board had researched other city residents for inclusion on their board.

Mr. Sumnar stated Mr. Duke Anderson of Hillsdale Hospital was leading the search for new BPU candidates. Mr. Sumnar also noted the interests of Dr. Wolfram's were very much in-line with the BPU Board's, as the growth of economic development in the city was directly related to the growth of the BPU.

Council Member Morrissey noted he had experience with this situation in the past in New York when he was offered the position as secretary for the planning board. Council Member Morrissey noted the need for clear demarcations between the people who make the decisions, and those who advise, or those who are responsible for implementing those decisions.

BPU Director Barber reported the appointment was to fill the vacant position that would expire at the end of 2018.

Council Member Stockford noted Jason Walters, President of Patriot Aviation, was also asked to resign from the Airport Advisory Committee, when the City Council approved an airport management contract with his company. Council Member Stockford argued this resignation by Mr. Walters set precedent for how Council should address this appointment.

Council Member Zeiser voiced support for the comments made by Council Member Bell and noted the outstanding qualifications and contributions made by Dr. Wolfram to the BPU. Council Member Zeiser discussed the value of precedent that was established when other citizens were asked to recuse themselves from boards and commissions when conflicts arose.

Council Member Flannery noted the BPU was part of the city's governance, but questioned why Council had recently approved the appointment of Mr. Sumnar to the BPU Board, considering the city's business relationship with Mr. Sumnar's insurance agency.

Council Member Watkins stated the best interest of the city at this point would be to appoint Dr. Wolfram to the BPU and noted any opposition to the appointment was being overly cautious.

Mayor Sessions stated Dr. Wolfram was very qualified and noted most of the decisions made by the BPU Board required final authorization by the City Council.

Council Member Stockford stated the relationship between the City of Hillsdale and Mr. Sumnar was not comparable to the contractual relationship between Dr. Wolfram and the city.

City Manager Mackie stated the contract with the Hillsdale Policy Group ended in December 2016 and city staff expected changes to be made with the 2017 contract. Council Member Sharp stated the City Council should have the opportunity to vote on the proposed contract with the Hillsdale Policy Group. City Manager Mackie agreed with this statement and stated it would be presented to Council for consideration.

Responding to a question from Council Member Dixon, BPU Director Barber stated the BPU Board provided advice to Council on utility matters, recommended the use of outside contractors when necessary, received project updates from BPU staff, and recommended utility rate changes.

Council Member Bell encouraged the BPU Board to utilize the expertise of Dr. Wolfram and the Hillsdale Policy Group when necessary.

Council Member Watkins, seconded by Council Member Dixon, moved to appoint Dr. Gary Wolfram to the BPU Board.

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

Motion failed by a vote of 4-5.

B. August 2, 2016 Primary Election Report – City Clerk French

City Clerk French provided a brief report on the August Primary Election, which saw a turnout of 21.89%, as 1,066 voters cast ballots either through absentee ballots or by personally visiting the polls. Clerk French discussed a variety of hardware issues that occurred during Election Day and explained the re-tabulation of the Ward 2 ballots that was performed by the County Board of Canvassers on August 3rd. Clerk French noted new signs were placed around the polling location denoting limits for campaigning, as well as new signs that were placed by the sidewalks outside the library.

B. City Manager's Report City Manager Mackie reported:

1. The first FAIR (Funding Alternatives – Identification and Recommendation) Committee was scheduled to meet on August 23, 2016 at 6:00 p.m.
2. Negotiations with the city employee unions continued, with most discussions centering on the large health insurance premium increases received by the city in recent weeks.
3. The State Street road and drain improvement project would begin on Tuesday, September 6.
4. Hartzell Veneer Products had repaid the city in claw-back provisions from the P.A. 198 tax abatement that was revoked by Council in January 2016.
5. Additional "Community Improvement" items would be included in future Council meetings to discuss positive issues and events occurring in the Hillsdale community.

Responding to a question from Council Member Flannery, DPS Director Hammel stated the road striping would be completed in the coming weeks.

General Public Comment

Mr. Dennis Wainscott, 34 Garden Street, noted the AutoMark voting machines did not operate at the August Primary Election and encouraged city staff to have these issues fixed prior to the November election. Mr. Wainscott also questioned if the intended uses of the Keefer Building and Dawn Theater would be presented to the public for discussion and if the liquor license for the Dawn Theater could be sold for needed revenue to the city.

Mr. Richard Wunsch, 98 ½ North Broad Street, noted the microphone at the public speaking podium was not working properly.

August 15, 2016

Regular Meeting

Ms. Penny Swan thanked Council Members for speaking directly into their microphones.

BPU Director Barber introduced the new BPU Assistance Director, Chris McArthur, to the City Council.

Council Comments

Council Member Flannery thanked Council Member Sharp and Council Member Bell for the involvement with the Finance Committee. Council Member Flannery also welcomed Council Member Morrisey and Council Member Zeiser to the City Council.

Council Member Bell requested the city obtain an update regarding the installation of new fiber-optic lines in the city and the schedule associated with that project. Council Member Bell also requested regular communications or updates from TIFA regarding their on-going projects. Council Member Bell welcomed Council Member Morrisey and Council Member Zeiser to the City Council.

Council Member Morrisey thanked everyone for their kind words of welcome to the Council.

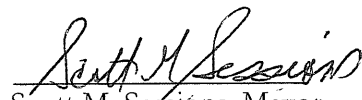
Council Member Zeiser also thanked everyone and stated he was honored to be a member of the City Council.

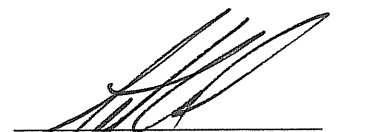
Mayor Sessions congratulated Council Member Morrisey and Council Member Zeiser on their election to City Council.

Adjournment

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

The meeting adjourned at 8:32 p.m.


Scott M. Sessions, Mayor


Stephen M. French, City Clerk