

CITY COUNCIL AGENDA

CITY OF HILLSDALE REGULAR MEETING

- 1. Call to Order and Pledge of Allegiance**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Public Comments on Agenda Items**
- 5. Consent Agenda**
 - A. Approval of Bills from claims of October 23, 2014 payroll \$81,193.48; claims \$410,044.22
 - B. Committee Reports (Pending Approval):
 1. Shade Tree Minutes of August 6, 2014
 2. EDC Minutes of August 21, 2014
 3. BPU Minutes of September 9, 2014
 4. PC Minutes of September 16, 2014
 5. EDC Minutes of September 4, 2014
 6. EDC Minutes of September 30, 2014
 7. Public Safety Minutes of October 27, 2014
 - C. Council Minutes of October 20, 2014
- 6. Communications/Petitions**
 - A.
- 7. Introduction and Adoption of Ordinance/Public Hearing**
 - A.
- 8. Unfinished Business**
 - A. Local Streets Maintenance
 - B. Code Enforcement
 - C. Clerk & Treasurer
- 9. Old Business**
 - A. BPU- Fiber Construction
 - B. Airport Manager Contract
- 10. New Business**
 - A. Resolution to Revoke IFT Certificate #2005-386, Foamade Industries
 - B. City Manager Directive
- 11. Miscellaneous**

Appointments: Planning Commission & Zoning Board of Appeals
Information Only: Election: November 4th, 2014
- 12. City Manager Report**
- 13. General Public Comment**
- 14. Council Comment**
- 15. Adjournment**

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73075					
101-441.000-801.000	PAGER RENTAL #7385433 - DPS	SPOK, INC	10/23/14	X7385433J	18.68
				Total For Check 73075	18.68
Check 73076					
101-000.000-018.000	24 MONTH CERTIFICATE OF DEPOSIT	FLAGSTAR BANK	10/23/14	113902622	300,000.00
				Total For Check 73076	300,000.00
Check 73077					
101-276.000-801.000	PORTABLE RESTROOM RENTAL #6573	ABS RENTAL SERVICES, LLC	10/23/14	6573	160.00
101-756.000-801.000		ABS RENTAL SERVICES, LLC	10/23/14	6573	580.00
				Total For Check 73077	740.00
Check 73078					
101-336.000-930.000	INV. NO. 41769 MSA TESTING SCB	APOLLO FIRE EQUIPMENT CO	10/23/14	41769	1,240.45
				Total For Check 73078	1,240.45
Check 73079					
101-441.000-801.000	TRAINING CLASS	ARBORIST SKILLS, INC	10/23/14	102014	800.00
				Total For Check 73079	800.00
Check 73080					
101-253.000-860.000	MILEAGE REIMBURSEMENT - OCT 6-8	SUSAN ARNOLD	10/23/14	OCT 6-8, 2014	143.45
101-253.000-862.000	MILEAGE REIMBURSEMENT RECLASSIF	SUSAN ARNOLD	10/23/14	OCT 6-8, 2014	(81.07)
				Total For Check 73080	62.38
Check 73081					
101-172.000-726.000	WINDWO ENVELOPES	ARROW SWIFT PRINTING	10/23/14	133314	99.42
101-215.000-726.000	WINDOW ENVELOPES	ARROW SWIFT PRINTING	10/23/14	133314	99.43
				Total For Check 73081	198.85
Check 73082					
588-588.000-925.000	LONGDISTANCE SERVICE	AT&T LONG DISTANCE	10/23/14	10-04-14	19.56
				Total For Check 73082	19.56
Check 73083					
271-790.000-726.003	NCIP FOR MEL	AUTO-GRAPHICS, INC.	10/23/14	52197	1,000.00
				Total For Check 73083	1,000.00
Check 73084					
271-790.000-982.000	OCTOBER 2014 ADULT BOOK ORDER	BAKER & TAYLOR COMPANY	10/23/14	2029868502	455.44
271-790.000-982.000	SEPTEMBER ADULT BOOK ORDER	BAKER & TAYLOR COMPANY	10/23/14	2029850608	97.70
271-792.000-982.000	SEPTEMBER KIDS BOOK ORDER	BAKER & TAYLOR COMPANY	10/23/14	2029850609	50.08
271-792.000-982.000	SEPTEMBER KIDS BOOK ORDER	BAKER & TAYLOR COMPANY	10/23/14	2029868500	18.99
271-792.000-982.000	OCTOBER 2014 KIDS ORDER	BAKER & TAYLOR COMPANY	10/23/14	2029868501	319.69
				Total For Check 73084	941.90
Check 73085					
101-276.000-726.000	CONCRETE #65836 - O.G. FOUNDATI	BECKER & SCRIVENS	10/23/14	65836	212.75
101-441.000-726.000	COME-A-LONG, FLOAT HNDL #65834	BECKER & SCRIVENS	10/23/14	65834	47.00
202-460.000-726.000	CONCRETE #65838 - STOCKS PARK	BECKER & SCRIVENS	10/23/14	65838	613.50
202-460.000-726.000	CONCRETE #65833 - 8 E HALLET ST	BECKER & SCRIVENS	10/23/14	65833	742.50
203-460.000-726.000	CONCRETE #65837 - 49 W SOUTH ST	BECKER & SCRIVENS	10/23/14	65837	290.00
203-460.000-726.000	CONCRETE #65835 - 23 LUDLUM ST	BECKER & SCRIVENS	10/23/14	65835	418.00
633-233.000-726.000	ADA RAMP #65915 - INVENTORY	BECKER & SCRIVENS	10/23/14	65915	100.00

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73085					
				Total For Check 73085	2,423.75
Check 73086					
202-460.000-801.000	POUR/FINISH CONCRETE - STOCK'S	RODNEY BEUMEL	10/23/14	OCT 2014	549.60
203-460.000-801.000	POUR/FINISH CONCRETE - 23 LUDLA	RODNEY BEUMEL	10/23/14	OCT 2014	430.00
				Total For Check 73086	979.60
Check 73087					
101-172.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	477.48
101-215.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,145.97
101-219.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,145.97
101-301.000-715.000	POLICE HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	7003454/0000 11-14	12,285.28
101-301.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,432.45
101-336.000-715.000	FIREFIGHTER HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0001 11-14	4,590.88
101-400.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,432.45
101-441.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	2,578.48
208-751.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,145.97
588-588.000-715.000	TEAMSTERS HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	15296.24	4,306.76
588-588.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,145.97
640-444.000-715.000	TEAMSTERS HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	15296.24	2,227.58
640-444.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	1,145.97
699-441.000-715.000	TEAMSTERS HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	15296.24	8,761.90
699-441.000-715.000	NON UNION HEALTH INS - NOV	BLUE CROSS & BLUE SHIELD	10/23/14	007003454/0002 11-14	477.48
				Total For Check 73087	44,300.59
Check 73088					
101-265.000-925.000	TELEPHONE SERVICE	BOARD OF PUBLIC UTILITIE	10/23/14	OCT 23, 2014	1,262.44
101-756.000-920.000	UTILITIES	BOARD OF PUBLIC UTILITIE	10/23/14	13531 11/14	11.73
202-480.000-801.000	TELEPHONE SERVICE	BOARD OF PUBLIC UTILITIE	10/23/14	10538	1,029.16
208-751.000-925.000	TELEPHONE SERVICE	BOARD OF PUBLIC UTILITIE	10/23/14	OCT 23, 2014	55.80
271-790.000-925.000	TELEPHONE SERVICE	BOARD OF PUBLIC UTILITIE	10/23/14	OCT 23, 2014	264.61
271-790.000-925.000	TELEPHONE SERVICE	BOARD OF PUBLIC UTILITIE	10/23/14	13531 11/14	0.00
				Total For Check 73088	2,623.74
Check 73089					
101-336.000-810.000	ORDER NO. 1282117 FIRE ENGINEE	CASCADE SUBSCRIPTION SER	10/23/14	1282117	179.00
				Total For Check 73089	179.00
Check 73090					
101-336.000-742.000	INV. NO. 139343 4" PPC FACESHI	CHIEF SUPPLY CORP.	10/23/14	139343	186.27
				Total For Check 73090	186.27
Check 73091					
101-265.000-801.000	RUGS FOR CITY HALL	CINTAS CORPORATION	10/23/14	351683556	20.00
101-265.000-801.000	RUGS FOR CITY HALL	CINTAS CORPORATION	10/23/14	351684147	20.00
101-336.000-801.000	INV. NO. 351682965 (10/02/14)	CINTAS CORPORATION	10/23/14	351682965	13.68
101-441.000-742.000		CINTAS CORPORATION	10/23/14	351683559	38.00
101-441.000-742.000		CINTAS CORPORATION	10/23/14	351684149	38.00
101-441.000-801.000		CINTAS CORPORATION	10/23/14	351683559	42.87
101-441.000-801.000		CINTAS CORPORATION	10/23/14	351684149	37.36
271-790.000-801.000	LIBRARY FLOOR MATS 10-7-14	CINTAS CORPORATION	10/23/14	351683557	32.18
640-444.000-742.000		CINTAS CORPORATION	10/23/14	351683559	14.85
640-444.000-742.000		CINTAS CORPORATION	10/23/14	351684149	14.85
640-444.000-801.000	RUGS/UNIFORMS-DPS #351683559	CINTAS CORPORATION	10/23/14	351683559	11.37
640-444.000-801.000	RUGS/UNIFORMS-DPS #351684149	CINTAS CORPORATION	10/23/14	351684149	24.37

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73091					
				Total For Check 73091	307.53
Check 73092					
101-209.000-860.000	TRAVEL REIMBURSEMENT - STC HEAR	CITY OF HILLSDALE	10/23/14	OCT 23, 2014	70.56
101-215.000-734.000	POSTAGE	CITY OF HILLSDALE	10/23/14	OCT 23, 2014	47.78
101-301.000-726.000	SHIPPING FOR RETURNS/REPAIRS	CITY OF HILLSDALE	10/23/14	OCT 23, 2014	18.85
101-301.000-860.000	MILEAGE REIMBURSEMENT	CITY OF HILLSDALE	10/23/14	OCT 23, 2014	65.12
101-301.000-861.005	RECLASSIFY MILEAGE REIMBURSEMEN	CITY OF HILLSDALE	10/23/14	OCT 23, 2014	(3.90)
101-400.000-860.000	MILEAGE REIMBURSEMENT - REGION	CITY OF HILLSDALE	10/23/14	OCT 23, 2014	40.32
				Total For Check 73092	238.73
Check 73093					
101-276.000-801.000	TREE REMOVAL @ OAK GROVE	CRAIG WICKHAM	10/23/14	101714	550.00
202-470.000-801.000	STUMP REMOVAL	CRAIG WICKHAM	10/23/14	101714	100.00
203-470.000-801.000	STUMP REMOVAL	CRAIG WICKHAM	10/23/14	101714	775.00
				Total For Check 73093	1,425.00
Check 73094					
101-219.000-726.000	PAPER/ERASERS/MECHANICAL PENCIL	CURRENT OFFICE SOLUTIONS	10/23/14	529322	14.96
101-301.000-726.000	INV. NO. 528951-00 PK REINFORC	CURRENT OFFICE SOLUTIONS	10/23/14	528951	6.80
101-301.000-726.000	INV. NO. 529177-00 DZ LTR LEGA	CURRENT OFFICE SOLUTIONS	10/23/14	529177	31.26
101-336.000-726.000	INV. NO. 528597-00 DZ BLACK PE	CURRENT OFFICE SOLUTIONS	10/23/14	528597	14.19
271-790.000-801.000	LIBRARY MONTHLY COPIES & SVC 10	CURRENT OFFICE SOLUTIONS	10/23/14	254701	120.50
				Total For Check 73094	187.71
Check 73095					
633-233.000-801.000	SCREENER RENTAL #1628	D & L EQUIPMENT, INC	10/23/14	1628	4,000.00
				Total For Check 73095	4,000.00
Check 73096					
101-265.000-801.000	MOP/BUFF DISPATCH OFFICE	EAST 2 WEST ENTERPRISES,	10/23/14	5820	40.00
				Total For Check 73096	40.00
Check 73097					
101-175.000-807.000	ENGINEERING CONSULTING - HILLSD	FLEIS & VANDENBRINK	10/23/14	38553	1,170.00
				Total For Check 73097	1,170.00
Check 73098					
640-444.000-730.000	ANCHORS #C118755	GELZER & SON INC.	10/23/14	C118755	13.14
640-444.000-730.000	KEYS #A70210 (#78)	GELZER & SON INC.	10/23/14	A70210	3.98
640-444.000-730.000	COUPLING, NIPPLE #C119921 (#78)	GELZER & SON INC.	10/23/14	C119921	6.78
				Total For Check 73098	23.90
Check 73099					
640-444.000-730.000	BULK HOSE #S89835	GODFREY BROTHERS, INC.	10/23/14	S89835	182.90
				Total For Check 73099	182.90
Check 73100					
271-790.000-801.000	LIBRARY PEST CONTROL 10-10-14	GRIFFIN PEST SOLUTIONS	10/23/14	1195141	41.00
				Total For Check 73100	41.00
Check 73101					
101-265.000-726.000	WATER - CITY HALL	HEFFERNAN SOFT WATER SER	10/23/14	62174	10.25
101-295.000-726.000	WATER - AIRPORT	HEFFERNAN SOFT WATER SER	10/23/14	62174	15.00
101-441.000-726.000	WATER - DPS	HEFFERNAN SOFT WATER SER	10/23/14	62174	5.50

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73101 271-790.000-726.000	WATER - LIBRARY	HEFFERNAN SOFT WATER SER	10/23/14	62174	10.25
			Total For Check 73101		41.00
Check 73102 101-174.000-801.000	ECONOMIC DEVELOPMENT	HILLSDALE POLICY GROUP,	10/23/14	SEPT 2014	5,804.57
			Total For Check 73102		5,804.57
Check 73103 588-588.000-730.000 588-588.000-730.000	GAS SPRING #101001602 BELT RETRACTOR #101003204	HOEKSTRA TRANSPORTATION, HOEKSTRA TRANSPORTATION,	10/23/14 10/23/14	101001602 101003204	96.00 125.00
			Total For Check 73103		221.00
Check 73104 640-444.000-730.000 640-444.000-730.000 640-444.000-730.000	FILTERS #PC01258228 WINDSHIELD SOL, FILTERS #PC0125 PARKING BRAKE #PC01258551 (#40)	JACKSON TRUCK SERVICE IN JACKSON TRUCK SERVICE IN JACKSON TRUCK SERVICE IN	10/23/14 10/23/14 10/23/14	01258228 1258477 1258551	123.24 77.68 90.88
			Total For Check 73104		291.80
Check 73105 271-790.000-905.000	LIBRARY MAGNETS	JANWAY COMPANY USA, INC.	10/23/14	115455	60.00
			Total For Check 73105		60.00
Check 73106 640-444.000-730.301 640-444.000-801.301	INV. NO. 1951 SEAT BELT EXTEND INV. NO. 20445 LABOR/REPLACED	JIM KNOX CHRYSLER DODGE JIM KNOX CHRYSLER DODGE	10/23/14 10/23/14	1951 20445	67.76 128.04
			Total For Check 73106		195.80
Check 73107 202-460.000-801.000 203-460.000-801.000 401-900.000-975.019	CURB CUTTING #167830 (STOCKS PA CURB CUTTING #167832 (49 W SOUT CORE DRILLING #167831 (PARKING	K & H CONCRETE CUTTING K & H CONCRETE CUTTING K & H CONCRETE CUTTING	10/23/14 10/23/14 10/23/14	167830 167832 167831	172.60 135.00 135.00
			Total For Check 73107		442.60
Check 73108 101-265.000-801.000 101-756.000-801.000 401-900.000-975.019	SEALCOATING LIBRARY #4085 SEALCOATING PARKS #4084 SEALCOATING PARKING LOTS #4084	K&B ASPHALT SEALCOATING, K&B ASPHALT SEALCOATING, K&B ASPHALT SEALCOATING,	10/23/14 10/23/14 10/23/14	4085 4084 4084	1,097.45 7,617.80 15,235.60
			Total For Check 73108		23,950.85
Check 73109 101-175.000-806.002 101-175.000-806.002 101-175.000-806.002 101-175.000-806.002 101-175.000-806.002 101-175.000-806.002 101-175.000-806.002 101-175.000-806.002	TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014 TAX CASES - SEPTEMBR 2014	KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS & KREIS, ENDERLE HUDGINS &	10/23/14 10/23/14 10/23/14 10/23/14 10/23/14 10/23/14 10/23/14 10/23/14	241366 241360 241361 241362 241363 241364 241365 241365	330.00 450.00 150.00 150.00 480.00 240.00 470.00
			Total For Check 73109		2,270.00
Check 73110 101-000.000-228.003	REFUND MERS W/H FROM FY 2013-14	STEVEN LADD	10/23/14	2014	59.88
			Total For Check 73110		59.88
Check 73111 101-265.000-801.000	TEMP EMPLOYEES W/E 10/5/14 #277	MANPOWER OF LANSING	10/23/14	27727535	37.30

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73111					
101-265.000-801.000	TEMP EMPLOYEES W/E10/12/14 #277	MANPOWER OF LANSING	10/23/14	1916.34	86.04
101-266.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	37.68
101-276.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	739.80
101-276.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	235.91
101-441.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	293.32
101-441.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	407.77
101-756.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	368.54
101-756.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	169.83
202-450.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	108.48
202-450.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	135.91
202-460.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	184.46
202-460.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	360.17
202-460.500-801.000		MANPOWER OF LANSING	10/23/14	1916.34	6.14
202-470.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	6.14
202-480.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	66.98
203-450.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	85.96
203-460.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	145.89
203-470.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	171.92
588-588.000-801.000		MANPOWER OF LANSING	10/23/14	27727535	6.78
588-588.000-801.000		MANPOWER OF LANSING	10/23/14	1916.34	6.14
Total For Check 73111					3,661.16
Check 73112					
101-336.000-726.000	INV. NO. 91091 LYSOL DISINFECT	MARKET HOUSE	10/23/14	91091	31.34
Total For Check 73112					31.34
Check 73113					
101-265.000-920.000	GAS UTILITY - CITY HALL	MICHIGAN GAS UTILITIES	10/23/14	4609268-0 10/14	148.83
101-265.000-920.000	GAS UTILITY - MITCHELL BLDG	MICHIGAN GAS UTILITIES	10/23/14	5176359-7 10/14	54.05
101-336.000-920.000	GAS UTILITY - FIRE STATION	MICHIGAN GAS UTILITIES	10/23/14	4609908-1 10/14	89.55
101-441.000-920.000	GAS UTILITY - DPS	MICHIGAN GAS UTILITIES	10/23/14	4614348-3 10/14	25.11
640-444.000-920.000	GAS UTILITY - GARAGE	MICHIGAN GAS UTILITIES	10/23/14	4614348-3 10/14	25.12
Total For Check 73113					342.66
Check 73114					
101-175.000-806.000	LEGAL FEES - LABOR ISSUES	MIKA MEYERS BECKET & JON	10/23/14	584087	75.00
Total For Check 73114					75.00
Check 73115					
101-219.000-801.000	OVERLAPPING DEBT DATA	MUNICIPAL ADVISORY COUNC	10/23/14	1116B	100.00
Total For Check 73115					100.00
Check 73116					
247-900.000-726.000	SUPPLIES FOR BEAUTIFICATION OF	KATHY NEWELL	10/23/14	OCT 2014	152.00
Total For Check 73116					152.00
Check 73117					
101-301.000-742.000	INV. NO. 481418 2PR TEK3 CARGO	NYE UNIFORM COMPANY	10/23/14	481418	164.85
101-301.000-742.000	INV. NO. 481420 2 L/S SHIRTS (NYE UNIFORM COMPANY	10/23/14	481420	334.65
Total For Check 73117					499.50
Check 73118					
640-444.000-801.301	INV. NO. 56585 - LABOR/LUBE, OI	PARNEY'S CAR CARE	10/23/14	23252	32.95
640-444.000-801.301	INV. NO. 56586 - LABOR/LUBE, OI	PARNEY'S CAR CARE	10/23/14	56586	32.95

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73118					
				Total For Check 73118	65.90
Check 73119					
101-336.000-726.000	INV. NO. 1-1115938 CRYSTAL CLE	PERFORMANCE AUTOMOTIVE	10/23/14	1115938	6.69
101-336.000-726.000	INV. NO. 1-1116392 MINI SUCTIO	PERFORMANCE AUTOMOTIVE	10/23/14	1116392	1.99
101-336.000-930.000	INV. NO. 1-1116266 12V BATTERI	PERFORMANCE AUTOMOTIVE	10/23/14	1116266	649.95
101-336.000-930.000	CREDIT INV. NO. 1-1116316 4 WA	PERFORMANCE AUTOMOTIVE	10/23/14	1116316	(29.69)
101-336.000-930.000	INV. NO. 1-1116068 4 WAY FLAT	PERFORMANCE AUTOMOTIVE	10/23/14	1116068	29.69
640-444.000-726.000	TROUBLE LITE #1116996	PERFORMANCE AUTOMOTIVE	10/23/14	1116996	68.49
640-444.000-726.000	WASH BRUSH #1116323	PERFORMANCE AUTOMOTIVE	10/23/14	1116323	15.59
640-444.000-730.000	HYD HOSE, COUPLER, FITTING #111	PERFORMANCE AUTOMOTIVE	10/23/14	1116105	36.25
640-444.000-730.000	AIR & OIL FILTER #1116478	PERFORMANCE AUTOMOTIVE	10/23/14	1116478	46.44
640-444.000-730.000	HEAT/HOSE, HANDLE,BULB #1116895	PERFORMANCE AUTOMOTIVE	10/23/14	1116895	19.65
				Total For Check 73119	845.05
Check 73120					
409-756.000-726.000	POSTAGE FOR DONOR LETTER	HILLSDALE POSTMASTER	10/23/14	OCT 23, 2014	137.69
				Total For Check 73120	137.69
Check 73121					
271-792.000-982.000	BOOKS ON TAPE SUMMER ST ORDER K	RANDOM HOUSE, INC.	10/23/14	1081589393	33.75
				Total For Check 73121	33.75
Check 73122					
588-588.000-930.000	REPAIR DART BUS	RICH FORD	10/23/14	6033456	163.93
				Total For Check 73122	163.93
Check 73123					
640-444.000-730.000	BS MOTOR #153570	SPRATT'S	10/23/14	153570	272.00
				Total For Check 73123	272.00
Check 73124					
101-172.000-801.000	CELL PHONE SERVICE	SPRINT	10/23/14	548517219-084	42.86
101-301.000-925.000	CELL PHONE SERVICE	SPRINT	10/23/14	548517219-084	67.53
101-441.000-801.000	CELL PHONE SERVICE	SPRINT	10/23/14	548517219-084	42.04
				Total For Check 73124	152.43
Check 73125					
640-444.000-801.301	INV. NO. 552785 LABOR/CUT & PR	STILLWELL FORD MERCURY,	10/23/14	552785	70.40
				Total For Check 73125	70.40
Check 73126					
101-172.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	14.20
101-172.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	55.00
101-209.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
101-209.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	30.06
101-215.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
101-215.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	14.91
101-219.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
101-219.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	22.84
101-253.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
101-253.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.28
101-301.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	99.40
101-301.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	240.48
101-336.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	35.52

INVOICE GL DISTRIBUTION REPORT FOR CITY OF HILLSDALE
 POST DATES 10/20/2014 - 10/31/2014
 BOTH JOURNALIZED AND UNJOURNALIZED
 BOTH OPEN AND PAID

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Check 73126					
101-336.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	62.85
101-372.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
101-372.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	15.39
101-400.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
101-400.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	18.50
101-441.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	14.20
101-441.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	38.18
208-751.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
208-751.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	9.69
271-790.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	7.10
271-790.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	18.50
588-588.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	25.92
588-588.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	49.13
640-444.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	14.20
640-444.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	30.31
699-441.000-715.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	49.70
699-441.000-721.000	LIFE/DISABILITY INS FOR NOV	SUN LIFE ASSURANCE COMPA	10/23/14	20894-11/2014	100.43
Total For Check 73126					1,023.49
Check 73127					
202-450.000-726.000	COMMERCIAL TOP - HOT MIX #14-85	TACKETT AND SONS MATERIA	10/23/14	14-85	56.50
202-480.000-726.000		TACKETT AND SONS MATERIA	10/23/14	14-85	27.40
203-450.000-726.000	COMMERCIAL TOP - HOT MIX #14-80	TACKETT AND SONS MATERIA	10/23/14	14-80	169.44
203-450.000-726.000		TACKETT AND SONS MATERIA	10/23/14	14-85	424.32
Total For Check 73127					677.66
Check 73128					
247-900.000-726.000	PUMPKINS	BONNIE THOMPSON	10/23/14	OCT 2014	146.00
Total For Check 73128					146.00
Check 73129					
677-175.000-964.000	UNEMPLOYMENT FOR 2013	UNEMPLOYMENT INSURANCE A	10/23/14	L0014307761	4,594.20
Total For Check 73129					4,594.20
Check 73130					
101-266.000-801.000	TEMP EMPLOYEE #COH-101314	US STAFFING AGENCY, LLC	10/23/14	101314	11.41
101-756.000-801.000		US STAFFING AGENCY, LLC	10/23/14	101314	34.23
203-450.000-801.000		US STAFFING AGENCY, LLC	10/23/14	101314	68.46
203-460.000-801.000		US STAFFING AGENCY, LLC	10/23/14	101314	136.92
Total For Check 73130					251.02
Check 73131					
101-265.000-801.000	WELD & REPAIR OVERHEAD DOOR#808	WHITES WELDING SERVICE	10/23/14	80815	80.00
Total For Check 73131					80.00

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund Totals:					
		Fund 101	GENERAL FUND		354,252.49
		Fund 202	MAJOR ST./TRUNKLINE FU		4,159.54
		Fund 203	LOCAL ST. FUND		3,250.91
		Fund 208	RECREATION FUND		1,218.56
		Fund 247	TAX INCREMENT FINANCE		298.00
		Fund 271	LIBRARY FUND		2,529.79
		Fund 401	CAPITAL IMPROVEMENT FU		15,370.60
		Fund 409	STOCK'S PARK		137.69
		Fund 588	DIAL-A-RIDE FUND		5,945.19
		Fund 633	PUBLIC SERVICES INV. F		4,100.00
		Fund 640	REVOLVING MOBILE EQUIP		4,797.74
		Fund 677	UNEMPLOYMENT INSURANCE		4,594.20
		Fund 699	DPS LEAVE AND BENEFITS		9,389.51
Total For All Funds:					<hr/> 410,044.22

SHADE TREE COMMITTEE

Meeting Minutes

August 6th 2014

Gary Stachowicz, Hillsdale City Forester called the Shade Tree meeting to order at 3:04 P.M. This was the May 2014 meeting that had been cancelled and not re-scheduled.

Board members present: Keith Richard, Angie Girdham, Barb Vallieu, Bud Heinowski and Dr. Maria Bidny

Approval of minutes: Dr. Bidny made the motion to approve the minutes from the February 5th 2014 Shade Tree meeting. Motion was seconded by Bud Heinowski.

Public comments: None

Old Business:

- A. Terrace restoration at 193 W. Bacon St (Highland frontage): Gary informed the committee that he has not gotten any response from the city attorney's office or the city manager regarding this issue. He said that he sent a letter to the city attorney's office last October and sent the city manager an e-mail in March of this year but to no avail. He will make another attempt with both parties soon.
- B. 2014 Spring tree planting locations: Gary said that trees planted by Lodi Farms this past spring were planted with money out of the various street tree restitution funds and that most of them were planted along local streets.

New Business:

- A. Tree City USA designation: Gary informed the committee that the City of Hillsdale has received Tree City USA designation for the 36th year in a row as awarded by the National Arbor Day Foundation.
- B. Arbor Day was celebrated on April 14th of this year. Gary, along with members of the Hillsdale Garden Club visited Gier Elementary School. Diane Miller of the Garden Club spoke to the students on the importance of trees after which Gary showed the students the proper way to plant and care for trees. Tulip Poplar seedlings were then given to the children for them to take home and plant.

- C. Tree planting price estimates: Before planting trees this spring, Gary solicited price estimates from three nurseries. Hickory Hills Nursery and Hoop Lawn and Snow from Hillsdale as well as Lodi Farms out of Ann Arbor Michigan. Of the three, Lodi Farms was the cheapest and was therefore hired to plant twenty trees throughout the city.

Adjournment: Angie Girdham made a motion to adjourn the Shade Tree meeting at 3:45 P.M. Motion was seconded by Dr. Bidny.

The next meeting is scheduled for Wednesday, December 3rd 2014 at 3:00 P.M. in the second floor conference room at city hall.

CITY OF HILLSDALE



Economic Development Corporation
97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6479

EDC MINUTES **REGULAR MEETING** **August 21, 2014**

I. Call to Order 7:40 am

Members Present: Dean Affholter, Gary Wolfram, Barry Hill, Amanda Janes, Matt Granata, David Foulke

Members Absent: Ed Sumnar, Victoria Bergen, J.J. Hodshire, David Loader

Others Present: Alan Beeker (Staff), Mary Wolfram (EDC)

II. Consent Items/Communications

Approval of minutes from June 19, 2014 regular meeting. Motion to make changes by Affholter, second by Granata, passed. Financial reports were reviewed. Barry Hill wanted to know what the \$598 was spent on. Mary Wolfram would find out what it is. Matt Granata motioned to accept. Gary Wolfram seconded. Motion Passed.

III. Public Comment

Discussion revolved around Greg Myers. Myers contract is very vague and Affholter thinks it should be renegotiated. Myers is supposed to be support for EDC and Mary Wolfram. Gary Wolfram thought it was good to have talked with Myers. Affholter was uncomfortable with the way Myers was treated by the board.

IV. Committee Reports

Three Meadows

HCISD – EDC’s offer to use a lot at Three Meadows is ahead of the building trades planning as to location of the next house project.

Perennial Park – Things are on hold until a few more pieces fall into place. Mr. Beeker gave a quick review of the progress of the ad-hoc committee.

Steve Stoll of Stoll Construction may still be interested in pursuing a project at Three Meadows.

Center for Family Health – comparable values, lease land? They were not interested. Three Meadows

was still interested in selling lots to them, however, they have found a different piece of property in Hillsdale.

Ms. Wolfram gave the EDC a brief review of the Citizen Planner class and observations about the layout of Three Meadows.

The question was posed, Could EDC find a developer to develop the rest of Three Meadows and EDC step back and let someone else take it over? Mr. Hill and Mr. Affholter were very interested in attracting a developer.

Manufacturing and Technology Park –

Report from Greg Myers. Mr. Hill contacted Myers about a report, but the report shows that he has done very little to help market the City of Hillsdale.

Park Certification –

Mr. Affholter wanted to know if the EDC still wants to research certification. Myers stated to Mary Wolfram that he would help certify the park, but he has still not done anything.

Mr. Affholter would like to renegotiate the contract with Myers in October. Perhaps it is time to find someone closer to home that will do the work. The board would like Mr. Hill to speak to Rick Rose and the BPU board about not renewing the Myers contract and use the \$15,000 to market Hillsdale through the EDC by either hiring an assistant to Mary Wolfram or possibly find a site selector that is either local or at least Michigan based.

Possibility of a Chinese manufacturer to come to Hillsdale. Nigel Francis from MEDC is the Chinese manufacturing contact. Mary was able to contact Mr. Francis.

Ed Sumnar and Barry Hill spoke to Rick Rose about selling the property that with the cell tower in the industrial park to 911. Mr. Rose is not interested in selling the property because they get a monthly rent. Mr. Hill spoke to several of the County Commissioners regarding the purchase of the property for the new 911 building. The majority of the commissioners are in favor of it.

V. Old Business

VI. Public Comment

VII. Adjournment at 9:12 am. Mr. Hill moved to adjourn, Mr. Wolfram seconded, motion passed.

Next Meeting: 7:30 am, October 16, 2014

September 9, 2014
45 Monroe Street
Hillsdale MI 49242

The regular Hillsdale Board of Public Utilities meeting was called to order at 7:00 pm by Mr. Bob Batt, Member of the Board.

Board Members Present: Mr. Bob Batt, Mr. Bill Smith & Mr. Duke Anderson

Board Members Absent: Mr. John Waldvogel, Mr. Jack Bierl

Others Present Were: Scott Sessions, Mayor; Rick Rose, Director; Gail Clow, Clerk to the Board; Don Reid, Hillsdale Daily News; Nate Rusk, Operations Manager; Mary Wolfrum, Economic Development; Eric Macy, Nonik Technologies; Chad Culbert, Electric Distribution Supervisor;

Moved by: Mr. Anderson, seconded by Mr. Smith, to approve the minutes of the August 12th, 2014 regular meeting with a few minor corrections and record in the official minute book.

Motion carried by unanimous voice vote.

Claims Drawn on the Operations & Maintenance Fund:

A CLEAN START	600
ADT	158.85
AFLAC	780.2
ALEXANDER CHEMICAL	880
AMERICAN COPPER &	1,159.09
ARAMENDI JULIAN R	112
ARISTO CHEM INC	431.84
ARROW SWIFT	462
AT&T	762.65
AT&T	161.84
BAKER MANDI	85.76
BCBS	27,217.30
BECKER & SCRIVENS	152
BENNETT M E	35
BLANK ASHLEY M	15
BRAD MCCLAIN	273
BRADLEY J MARTIN	129.27
BUCKLES & BUCKLES	810.62

BULGRIEN AARON	140.34
BUSINESS CARD	441.46
BYERS DEBORAH S	464.73
CENTRAL MICHIGAN MANAGEMENT	111
CHAMBER OF COMMERCE	5,000.00
CINTAS LOCATION	1,538.78
CITY OF HILLSDALE	43,631.28
CLARK ELECTRIC, INC.	152.8
COLLINS NICOLE L	79.42
COMMUNITY ACTION AGENCY	2,702.26
CURRENT OFFICE	375.71
DAVIS MERCEDES A	99
DIEGEL HAROLD E	121
DISTRICT COURT	11.53
DUBOIS TRUCKING	426
ELHORN ENGINEERING	1,240.80
ENVIRONMENTAL MGMT	2,927.10
FASTENAL COMPANY	28.9
FLEIS & VANDENBRINK	16,519.57
GEORGE JEAN A	18.75
GLEIS, INC	84.5
GLOBAL ENVIRONMENTAL	600
GODFREY BROTHERS, INC	24.2
HARDING JR VICTOR R	90.8
HARRIS SARAH J	51
HAVINS JOHN F	95
HAYES SHERI L	31
HD SUPPLY	607.78
HEFFERNAN SOFT WATER	111.4
HILLSDALE CO	500
HILLSDALE COMM HEALTH CENTER	150
HILLSDALE DAILY NEWS	30
HILLSDALE HARDWARE	94.21
HOOP LAWN & SNOW, LLC	100
HOUCK MICHELLE M	63.51
HOWARD JASON M	241
HYDRO DESIGNS	1,333.00
IBEW	594
INFINISOURCE COBRA	710
INFOSEND, INC	3,952.69
KEN STILLWELL	96.8
KNAPP KURT D	412
KOCHENDORFER SCOTT D	147.26
KUBRA	2,690.89
LAMBRIGHT GERALD	197.68

LEE BEN	58
LLOYD ANGIE M	98.99
LOMBARDO THEODORE S	18.88
LOREN & SHIRK	240
MARKET HOUSE	42.25
MB3 CONSULTING, LLC	1,050.00
MCVEY JOLLY R	82.11
MICHIGAN GAS	1,075.09
MILLER PAULA M	145
MILLIMAN BLANCHE I	6
MILSOFT	44,875.00
MODERN WASTE SYSTEMS	241.25
MSCPA	7.51
MYERS BRAD L	14.62
MYERS CHRIS E	44.62
N E F CO	193.28
NONIK TECHNOLOGIES	14,653.00
NORTHERN SAFETY	156.14
ONLINE UTILITY EXCHANGE	199.7
PARNEYS CAR CARE INC	60.4
PERFORMANCE AUTO	285.87
POINT RENTAL & SALES	40
POWER LINE SUPPLY	6,707.02
PUKSICH ANGELA L	20.41
QUAINTON MAUREEN A	5.01
QUIGGLE JOSH D	10
RESCO ELECTRIC	8,917.50
ROSE, RICK	1,944.71
ROWLAND RAMSEY	40
RUPERT'S CULLIGAN	55.5
SAFEGUARD PROPERTIES	56.67
SAFETY SYSTEMS, INC.	165
SBA TOWERS II LLC	2
SLOCUM ROD J	11
SMITH LAURA J	38.74
SOUTHERN MICHIGAN BANK & TRUST	125
SPRINT	1,317.36
STATE OF MICHIGAN	5,750.05
STOCKHOUSE COMPUTER	2,224.21
SUN LIFE FINANCIAL	846.69
THE WATER STORE	82.25
THOMAS JACK W	109
TRACE ANALYTICAL	5,049.00
TUBERGEN, SCOTT	1,711.20
UIS PROGRAMMABLE	2,781.44

USABUEBOOK	2,229.60
VANDERKOLK DANIEL N	27.29
WATKINS OIL COMPANY	3,727.67
WHITCOMB TONYA M	78.93
WHITE'S WELDING	230
WHITNEY ESTATES	3.23
WIREBAUGH CONNIE L	197
WORKHEALTH	140
TOTAL	231456.76

Moved by: Mr. Anderson, supported by Mr. Smith, to approve the above bills for August in the amount of \$231,456.76.

Roll Call: Unanimous. Motion Carried.

Moved by: Mr. Anderson, supported by Mr. Smith, to approve the August MSCPA bill usage in the amount of \$919,744.58.

Roll Call: Unanimous. Motion Carried.

Items:

1. Vehicle Bid

This year's budget included funds to replace a 2001 pickup with a plow that is used to keep facilities cleared of snow during the winter months. All local dealers were contacted and one bid was received. That bid was for \$27,887.02 from Stillwell Ford.

Moved by: Mr. Anderson, supported by Mr. Smith, to approve the purchase of a 2015 pickup with plow for \$27,887.02 from Stillwell Ford.

Roll Call: Unanimous. Motion Carried.

2. MSCPA Alternate Commissioner Resolution

Moved by: Mr. Anderson, supported by Mr. Smith, to approve Resolution #194, to appoint an alternate commissioner, Nate Rusk to the Michigan South Central Power Agency Board of Commissioners.

Moved by: Mr. Smith, supported by Mr. to Anderson, to approve Hillsdale Board of Public Utilities Resolution #194.

3. Demonstration of AMI

Nate Rusk provided a presentation outlining the capabilities of our new AMI system.

Department/Incident Reports:

- Power Plant/Substation
- Electric Distribution Report
- Water Distribution & Sewer Collection

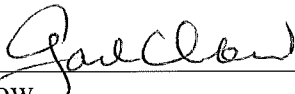
Board Member Roundtable:

No comments.

Public Comment

No comments.

Meeting was Adjourned at 7:50 p.m.



Gail Clow
Clerk to the Board



CITY OF HILLSDALE

Planning Commission
97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6456 Fax: (517) 437-6450

PLANNING COMMISSION MINUTES **REGULAR MEETING** **CITY HALL, 97 N. BROAD ST. 2ND FLOOR** **September 16, 2014 at 5:30 PM**

I. Call to Order 5:38 pm

- A. Pledge of Allegiance
- B. Members present: Laura Smith, Amber Yoder, Scott Sessions, Steve Vear,
- C. Others present: Alan Beeker (Staff), Mary Wolfram (EDC), David and Marian Griffiths, Keith Richards (DPS), Matt Taylor, Todd Clow, Travis Berlin
- D. Members absent: Kerry Laycock (excused) Bonnie Kyser-Lavelle (excused)

II. Consent Items/Communications

- A. Ms. Yoder moved to accept the minutes from the August regular meeting and the September Workshop, Mayor Sessions seconded. Motion passed.
- B. Mr. Vear moved to accept the agenda as presented, Ms. Yoder seconded, motion passed.

III. Public Comment

Members of the public voiced concern that the appearance of the new tennis courts will be too industrial in nature and expressed hope that the College will work to soften that appearance with landscaping.

IV. Old Business

- A. **Hillsdale College Tennis Courts** – The approval was postponed at the previous meeting. Mr. Pewe could not be here due to an unavailable scheduling conflict. The project meets all of the zoning ordinance requirements. Mr. Vear moved to approve the project, Ms. Yoder seconded. No discussion. Roll call vote. 4 ayes, 0 nays, motion passed. Mr. Beeker will issue the zoning compliance permit. Mr. Richard was concerned that the staff comments were ignored, Chair Smith noted that the staff recommendations were considered and she was confident that the College would handle the curb and sidewalk according to the desired best practice.
- B. **Redevelopment Ready Communities Program** – Mr. Beeker and Ms. Wolfram updated the PC on the next phase of the RRC evaluation.
- C. **Master Plan Charrette** – Schedule – Several ideas were vetted regarding the charrette.

- a. Post a questionnaire on the city website
- b. Write a PSA for the radio.
- c. A questionnaire was created at the time that the PC first began the amendment process. Mr. Beeker will try to locate that questionnaire for the PC to revise.
- d. Post on the BPU, Brian Watkins, and Vanishing Hillsdale facebook pages.
- e. Create a Survey Monkey.
- f. Involve 8th grade and high school age students.
- g. November 11 and 13 in the Library.
- h. Speak to Glen Pape of the MSUE for insights and a possible facilitator.

V. New Business

- A. **R2PC Update** - Mr. Beeker updated the PC regarding the September full commission meeting.

VI. Zoning Ordinance

- A. **Expansion of multiple tenant housing definition in O-1, B-1, B-2, B-3** - Reviewed the ordinances. Mr. Vear made the motion to make the changes as corrected by the Commission and submit to the city attorney for approval, Mayor Sessions seconded, no discussion, roll call vote, motion passed 4-0. Mr. Vear made a second motion stating that with approval from the city attorney of the proposed amendments, in time to be advertised, a public hearing would be held at the October regular meeting, Mayor Sessions seconded, motion passed.
- B. **RD-1 Sub-Committee goals and guidelines** – The Commission suggested the creation of an overlay district to take the place of the RD-1 districts north of the St. Joe River. The remaining RD-1 districts could possibly rezoned as R-4, a new residential district that takes into account the smaller lots and narrower setbacks.

VII. Public Comment

The public approved of the direction of the discussion regarding the RD-1.

- VIII. Adjournment at 7:17 pm** – Ms. Yoder moved to adjourn, Mayor Sessions seconded, motion passed. Meeting adjourned.

Next regular meeting to be October 21, 2014 at 5:30 pm

CITY OF HILLSDALE



Economic Development Committee
97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6479

EDC MINUTES **BUSINESS REVIEW MEETING** **CITY HALL, 97 N. BROAD ST. 2ND FLOOR** **September 4, 2014**

I. Call to Order 7:35 am

Members Present: Matt Granata, Barry Hill

Members Absent: Victoria Bergen (excused), David Foulke (excused, sent proxy)

Others Present: Alan Becker (Staff)

II. Public Comment on Agenda Items

No Public Comment

III. New Business

- A. GAMPCO IFT Transfer** – Scranton Machine Products, Inc. (SMP) is no longer in business. The company has been purchased by General Automatic Machine Products Company (GAMPCO). They are requesting a transfer of the IFT originally granted to SMP. The BRC recommends to Council that the IFT be transferred from SMP to GAMPCO. Matt Granata made the motion to recommend the transfer and Barry Hill seconded, motion passed with David Foulke's proxy.

IV. Public Comment

No Public Comment

V. Adjournment at 7:55 am



CITY OF HILLSDALE

Economic Development Committee
97 North Broad Street
Hillsdale, Michigan 49242-1695
(517) 437-6479

EDC MINUTES BUSINESS REVIEW MEETING CITY HALL, 97 N. BROAD ST. 2ND FLOOR September 30, 2014

I. Call to Order 7:05 am

Members Present: Matt Granata, Barry Hill, Victoria Bergen, David Foulke

Others Present: Alan Beeker (Staff), Mary Wolfram (EDC)

II. Public Comment on Agenda Items

No Public Comment

III. New Business

- A. GAMPCO IFT** - General Automatic Machine Products Company (GAMPCO). They are requesting an IFT. The BRC recommends to Council that the IFT be granted to GAMPCO. GAMPCO has made renovations to the existing building. GAMPCO will be taxed on personal property that is in the building on Dec. 31 of the year. Matt Granata made a motion to grant the 12 year IFT, Barry Hill supported. Motion passed.
- B. OPRA** – Rental Rehab programs to add apartment housing downtown. All requesting 10 year abatements. Barry Hill moved to recommend the 10 year abatement to Council, Victoria Bergen seconded, motion passed.
- a. Nonik Holdings LLC – (74-76 N. Howell) - The subject building is currently occupied by a pottery studio and a pet store on the first floor with a small office area at the rear temporarily occupied by an information technology service provider. The second floor contains approximately 5,014 square feet of unutilized space. The planned renovation involves investment of an estimated \$285,375 (listed as \$268,375 on the application) for improvements to the second floor to create three residential apartments and an office suite.
 - b. Thorney Ash - (42 N. Howell) – The subject building is currently occupied by a beauty salon on the first floor and a residential apartment on the second. The third floor contains approximately 1,220 square feet of unutilized space. The planned renovation involves investment of an estimated \$80,000 for improvements to the third floor to create one additional residential apartment.
 - c. Alan K. Williams – (116-120 N. Broad) - The subject building is currently occupied by a dance

studio and a recently-vacated commercial storefront on the first floor and one residential apartment on the second floor along with approximately 3,200 square feet of unutilized space. The planned renovation involves investment of an estimated \$223,485 for improvements to the second floor to create two additional residential apartments.

IV. Public Comment

No Public Comment

V. Adjournment at 7:35 am

**Minutes of the Public Safety Committee Meeting
City of Hillsdale
2nd Floor Conference Room, City Hall
October 27, 2014 6:00 PM**

Meeting called to order at 6:01PM

Members Present: Bruce Sharp, Adam Stockford, Brian Watkins

Others Present: City Manager Terry, Chief Hephner (Police), Chief Pauken (Fire), HR Director Freese, Jane Englehart

Public Comment: None.

The Public Safety Committee met to discuss the matter of the Public Safety Director (PSD) position. It was previously recommended by the committee that the PSD position be eliminated and that the City revert to the previous practice of employing a fire chief and a police chief. Upon this recommendation, Council requested more information before making a decision, their primary concern being the cost of two positions vs. one position.

City Manager Terry and HR Director Freese presented the committee with their recent efforts to determine funding for the positions. It was their opinion that though the budget numbers were not 100% clear, that moving Hephner and Pauken into full-time chief positions and eliminating the PSD position would fall within the budget numbers and would be as or more affordable than hiring a new PSD either internally or externally. The committee expressed continued desire to eliminate the PSD position and to see Pauken and Hephner promoted.

CM Terry also added that in his talks with Acting Chief Hephner, that his (Hephner) plan to bring on 3 part-time officers with the intent to hire one of them as a full time officer as the budget allowed which would allow time for the part-time officers to be evaluated and an well informed hire be made.

In regards to salary and benefits, both Hephner and Pauken were clear that they were open to negotiations and that neither were looking for a large pay raise. Their only concern, which was echoed by staff and the committee, was that because they would be required to leave the union, provisions should be made to ensure their pension is able to maintain it's current growth level. This would involve the City contributing to a 427 plan or a similar plan that would make up the difference between the union pension and non-union pension. HR Director Freese indicated that a 427 plan was already in place with the City and that determining the formula for contributions wouldn't be very complicated.

After more discussion regarding the fiscal impact of the promotions versus a new PSD hire, the committee unanimously agreed that it was in the best interest of the City and its Citizens to eliminate the PSD position and promote the acting chiefs to chiefs. As such, CM Terry stated that he would draft a directive that would eliminate the PSD position. This directive will be presented to Council for its consideration at the November 3rd Meeting.

Public Comment: None. Moved by Sharp seconded by Stockford to adjourn. Motion passes 3-0

Meeting adjourned at 6:54pm

Respectfully submitted,



Brian Watkins
Ward 1 Councilman
Public Safety Committee Chairman

CITY COUNCIL MINUTES

City of Hillsdale
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 with the following Council members present: Council members Adam Stockford and Brian Watkins representing Ward One; Councilmember Sally Kinney representing Ward Two; Council members Emily Stack Davis and Bruce Sharp representing Ward Three; and Council members Mary Beth Bail and Patrick Flannery representing Ward Four.

Also present were City Attorney Lewis Loren, Acting City Manager Doug Terry, Deputy Clerk Michelle Loren, Kay Freese (HR), Bonnie Tew (Finance), Keith Richard (DPS), Scott Hephner (HCPD), Judy Buzo (Dial-A-Ride), James Scheibner (Airport), Rick Rose (BPU), Nate Rusk (BPU), Jane Englehart, Ruth Brown, Andy Barrand (HDN), Tom McNicholas (Thorny Ash Development), Sharon Sheerer (GAMPCO), Mary Bertakis (HBA) and Aimee England.

Approval of Agenda

Acting City Manager Doug Terry requested *New Business Item A. BPU Fiber Construction* be removed from the Agenda until a later date.

Motion by Councilperson Watkins, supported by Councilperson Stack-Davis, to approve the October 20, 2014 Agenda as amended.

All ayes.

Motion carried.

Public Comment

Hillsdale Business Association Secretary, Mary Bertakis, addressed Council regarding the annual *Light Up Hillsdale Parade* planned to be held December 6, 2014. Ms. Bertakis asked Council's approval for street closures and use of barricades and stated the proper permitting procedures would be followed.

Motion by Councilperson Stockford, supported by Councilperson Sharp, to approve the *Light Up Hillsdale Parade* and the necessary street closures on December 6, 2014. Roll call: Councilpersons Stack-Davis – yes; Flannery – yes; Kinney – yes; Sharp – yes; Stockford – yes; Watkins – yes; Mayor Sessions – yes.

Approved 8-0.

Motion carried.

Consent Agenda

- A. Approval of Bills from October 9, 2014; Claims of \$104,828.20; Payroll of \$88,768.72.
- B. Committee Reports:
 1. PC Minutes of August 19, 2014
 2. PC Minutes of September 10, 2014
 3. Public Services Minutes of September 29, 2014
 4. Finance Minutes of October 13, 2014
 5. Election Commission Minutes of October 10, 2014
- C. Council Minutes of October 6, 2014
- D. Quarterly Investment Report and September 2014 Finance Reports
- E. Finance Dept.: Raymond James Depository Resolution No.'s 3194 (Lakeview), 3195 (Oak Grove), 3196 (Hospital Fund).
- F. Transfer of City Assets: Resolution #3197 (Southern Michigan Bank).

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

Approved 8-0.

Motion carried.

Communications and Petitions

None

Introduction and Adoption of Ordinances/Public Hearings

A. Public Hearing – GAMPCO IFT

Mayor Sessions opened the podium for public comment. No comment. Mayor Sessions then opened the podium for council comment. No comment.

Motion by Councilperson Watkins, supported by Councilperson Sharp, to adopt Resolution #3198 awarding an Industrial Facilities Tax Exemption to General Automatic Machine Company for 12 years. Roll call: Councilpersons Sharp – yes; Stockford – yes; Watkins – yes; Mayor Sessions – yes; Councilpersons Bail – yes; Stack-Davis – yes; Flannery, yes; Kinney – yes.

Approved 8-0.

Motion carried.

B. Public Hearing – Thorny Ash Development OPRA

Mayor Sessions opened the podium for public comment. No comment. Mayor Sessions then opened the podium for council comment. No comment.

Motion by Councilperson Stockford, supported by Councilperson Watkins, to adopt Resolution #3199 and award Thorny Ash Development, 42 N. Howell St., a tax abatement under the Obsolete Property Rehabilitation Act for a period of 10 years. Roll Call: Councilpersons Stockford – yes; Watkins – yes; Mayor Sessions – yes; Councilpersons Bail – yes; Stack-Davis – yes; Flannery – yes; Kinney – yes; Stack-Davis – yes; Sharp – yes.

Approved 8-0.

Motion carried.

Unfinished Business

A. Local Streets Maintenance:

None

B. Code Enforcement.

Mayor Sessions briefed over the September 2014 Code Enforcement Report and gave an update regarding 55 S. Broad St.

C. Clerk & Treasurer

None

Old Business

None

New Business

None

Appointments

Motion by Councilperson Watkins, supported by Councilperson Stockford, to approve Airport Committee appointments as follows:

Ginger Moore for a 2 year term expiring November 2016
Jeff King for a 2 year term expiring November 2016
Jeff Buchhop for a 2 year term expiring November 2016
Richard Péwé for a 1year partial term expiring November 2015
Lon King for a 1 year partial term expiring November 2015
Jason Walters for a 2 year term expiring November 2016
Roy Szarafinski fir a 1 year partial term expiring November 2015

Motion by Councilperson Watkins, supported by Councilperson Stack-Davis, to approve reappointments to the Board of Special Assessors as follows:

Aimee England for a 1 year term expiring November 2015
Molly Wentz for a 1 year term expiring November 2015
Sam Nutter for a 1 year term expiring November 2015

General Public Comment

Ruth Brown reported on the launching of a suicide prevention service supported through Lifeways of Jackson.

Aimee England commented that the opening statement made by the mayor before opening public comment hinders the public from speaking freely.

Council Comment

Councilperson Sharp requested a Public Services meeting be called soon.

Councilperson Stack-Davis updated Council on the city manager succession plan being worked on by Operations and Governance. Ms. Stack-Davis stated they would be requesting department head input soon.

Adjournment

Motion by Councilperson Sharp, supported by Councilperson Watkins, to adjourn.

All ayes.

Meeting adjourned.

8:43 p.m.

Scott M. Sessions, Mayor

Michelle Loren, Deputy City Clerk

Memo

Date: 10/15/14
To: Mayor and Council
Cc: City Manager
From: Rick J. Rose
RE: Fiber Construction

The Hillsdale Board of Public Utilities has been investigating expansion of the fiber backbone that was installed as part of the Merit partnership and subsequent expansion of fiber connections to our community. We have been studying the installation of two small loops that would connect all of our buildings, substations, SCADA points, and data collection sites.

At our last two meetings we discussed construction bids on the installation of a looped fiber circuit that would connect all of our facilities by fiber to enhance performance and efficiency. The low bidder, ACD.net had an intriguing proposal attached to their bid that offered to partner in the project so that they could provide gigabit internet service to residents and businesses in Hillsdale as a byproduct of this construction work.. We have been working on this for the last couple of months and have finally reached an agreement to jointly construct the fiber loops that we require.

The agreement is to be a 20 year lease of 48 fiber pairs at a cost of \$165,125.77, at the end of 20 years we will purchase the leased fiber for \$1.00. Benefits here are twofold, the first being cost savings on the construction bid of about \$55,000 and the second will be introduction of competition in the high speed internet market. This will provide the community choice for this service and a powerful economic development tool.

Legal Counsel has reviewed the lease agreement and the suggested changes have been made.

The Board of Public Utilities at its October 14th meeting approved the proposed contract and is requesting Councils' approval and the Mayor and Clerk's signatures on the document.

IRU DARK FIBER LEASE AGREEMENT

THIS IRU DARK FIBER LEASE AGREEMENT (“**Agreement**”) is made as of the 3rd day of November, 2014, by and between the City of Hillsdale. (“**Lessee**”), a Michigan municipal corporation having a City Hall located at 97 North Broad Street, Hillsdale, MI 49242; and KEPS Technologies, Inc. d/b/a ACD.net. (“**Lessor**”), a Michigan corporation having a principle place of business located at 1800 N Grand River Ave Lansing, MI 48906

RECITALS

WHEREAS, Lessor, shall operate fiber optic communications system (the “**System**”) within a certain geographical area (the “**Service Area**”); and

WHEREAS, Lessee requires dark fiber for its business operations within the Service Area and such services can be provided on the spare capacity of Lessor’s System; and

WHEREAS, subject to the terms and conditions set forth below, Lessor desires to lease dark fiber capacity over the System to Lessee, and Lessee desires to lease such facilities;

WHEREAS, the lease of dark fiber shall constitute an Indefeasible Right of Use (IRU), said dark fiber for the term of the lease.

NOW THEREFORE, in consideration of the foregoing, and of the promises and covenants contained in this Agreement, the parties agree as follows:

1. **Lease Fibers.** Lessor hereby leases to Lessee on an exclusive basis 48 strands of dark fiber (“**Leased Fibers**”) on the route described in EXHIBIT A attached hereto for the sole purpose of Lessee supporting its business operations.

2. **Term.** The initial term of this Agreement shall be Twenty (20) years, and thereafter shall renew for One (1) year terms unless otherwise terminated by either party by providing at least 90 days written notice prior to the expiration of the initial term or any renewal period. This Agreement may sooner terminate on (i) the date that Lessor’s (or its successors’ or assigns’) legal ability to operate the System in the Service Area either terminates or is legally impaired, or (ii) the date this Agreement terminates pursuant to Sections 12, 16, or 17 hereof.

3. **Payments.**

Lessee shall pay to Lessor \$165,125.77 one-time fee for use of the fibers. Additional fees such as scheduled maintenance of the Leased Fibers. Emergency maintenance and materials shall be assessed separately on a pro-rata basis. Additional payments due to Lessor under this Section shall increase every five (5) years of the term in an amount equal to the cumulative increase over that five (5) year period of the Consumer Price Index for Urban Consumers (CPI-U) as published by the U.S. Bureau of Labor and Statistics for the Detroit CMSA.

4. Use of Facilities. Lessee's use of the Leased Fiber shall be limited to supporting its business operations, including but not limited to the supporting the sale of services to third party customers. Lessee shall not use the Leased Fibers in violation of this Agreement, any law, rule, regulation or order of any governmental authority having jurisdiction, or any franchise, license, agreement or certificate related to the System or Lessor's franchises, unless the validity thereof is being contested in good faith and by appropriate proceedings (but only so long as such proceedings and Lessee's use of the Leased Fibers does not, in Lessor's reasonable opinion, involve any risk of the sale, forfeiture, or loss of the System, franchises, pole attachment or conduit agreements, or any part thereof or any interest therein). Lessee shall not do or permit anything to be done with respect to the Leased Fibers that would invalidate or conflict with any insurance policies maintained by Lessor or Lessee covering the Leased Fibers.

Lessee shall have the right to interconnect the Leased Fibers to Lessee's network at the pre-existing splice points and such other points as are mutually agreed upon at Lessee's sole cost and expense (even if splicing performed by Lessor), which will not be unreasonably withheld. If Lessor is utilized to interconnect the Leased Fibers, Lessee agrees to compensate Lessor at a charge of Lessor's cost, plus fifteen percent (15%).

5. Performance and Maintenance.

(a) Lessor shall maintain the System and the Leased Fibers, so that at all times the Leased Fibers perform as designed and within manufactured specifications. Inspection and maintenance of the fiber optic components of the System shall be conducted by Lessor or its subcontractors unless prior arrangements have been made between Lessor and Lessee. Maintenance may be performed at regularly scheduled periods or during emergency periods. Lessee shall at all times cooperate with Lessor and shall make Lessee facilities and the Leased Fiber available for Lessor's performance of maintenance on the System and the Leased Fibers.

(b) Lessor shall be responsible for the costs associated with scheduled maintenance of the System and Leased Fibers. If while conducting this maintenance, Lessor discovers, after good faith discussion and mutual agreement with Lessee, that damage to the System or Leased Fibers has occurred as a result of actions of the Lessee, then the Lessee shall compensate the Lessor for the necessary repairs to the System or Leased Fibers. Lessor shall perform such maintenance on a time-and-materials basis at the rates then in effect at the time services are performed.

(c) Emergency maintenance and materials shall be assessed separately on a pro-rata basis. Where possible, if damage results from a third-party then Lessor shall attempt to recover repair costs from third-party rather than assessing costs on a pro-rata basis.

6. Title. All rights, title and interest in all the Leased Fibers provided by Lessor hereunder shall at all times remain exclusively with the Lessor. All right, title and interest in all facilities and associated equipment paid for and provided by Lessee shall at all times remain exclusively with Lessee. Except as expressly provided elsewhere in this Agreement, Lessor shall retain full operating control and shall continue to hold and be solely responsible for all operating authority of the System and of Lessor's facilities.

7. Liens and Encumbrances. Neither party, directly or indirectly, shall create or impose any lien on the property of the other or on the rights or title relating thereto or any interest therein or in this Agreement. Each party shall promptly, at its own expense, take such action as may be necessary to duly discharge any lien created by it on the property of the other party.

8. Representations and Covenants Regarding Authorizations.

- (a) Lessee hereby represents, warrants and covenants to Lessor as follows:
 - (i) Lessee is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization and has full power and authority to execute, deliver and perform the terms of this Agreement.
 - (ii) There is no litigation, proceeding or governmental investigation to which Lessee is a party which could result in any material adverse effect on its ability to perform its obligations under this Agreement.

- (b) Lessor hereby represents, warrants and covenants to Lessee as follows:
 - (i) Lessor is duly organized and validly existing under the laws of the State of Michigan and has full power and authority to execute, deliver and perform the terms of this Agreement.
 - (ii) There is no litigation, proceeding or governmental investigation to which Lessor is a party which could result in any material adverse effect on its ability to perform its obligations under this Agreement.
 - (iii) Lessor has or shall use its best commercial efforts to obtain and maintain all rights, licenses, franchises, governmental regulatory approvals, authorizations, rights-of-way, and other agreements and permissions necessary for the use of the poles, conduit, cable, wire, or other physical plant facilities, as well as any other such rights, licenses, authorizations, right-of-way, and other agreements, easements, or permissions necessary for the installation and use of the Leased Fibers. Lessor shall be solely liable for all costs related thereto.
 - (iv) In the event that the Leased Fibers are unavailable for Lessee's use at anytime during the Term of this Agreement, other than for scheduled or emergency maintenance periods, then Lessor shall provide Lessee with substitute fibers or fiber routes to fulfill its obligations under this Agreement.
 - (v) In the event that there is critical failure or outage of fiber continuity for any lit fiber on the System, Lessor shall, within four (4) hours after receiving a report of any such failure, interruption, or impairment, have personnel on-site who shall take corrective measures in the following order of preference:

1. All fibers identified as public safety or 911 services-related shall be repaired first.
 2. All fibers identified as critical healthcare facility services-related shall be repaired second.
 3. All fibers identified as critical community services-related shall be repaired third.
 4. All fibers identified as priority by contract shall be repaired fourth.
 5. All others active fibers shall be repaired fifth.
 6. All non-active fibers shall be repaired last.
- (vi) Fibers within the System that are not in use at the time of the reported failure or are otherwise deemed non-critical by the Lessor shall be scheduled for repair or corrective measures within Seventy-Two (72) hours after receiving a report of failure, interruption or impairment.

9. Compliance with Law. Each party shall perform its respective rights and obligations hereunder in accordance with all applicable laws, rules and regulations imposed by any governmental authority.

10. Acceptance Testing and Completion

(a) Lessor shall test the Lessee Fibers in accordance with the procedures and standards specified in Exhibit "B" ("Acceptance Testing"). Lessee shall be responsible for the timely completion of any work or installation required in order for it to place the Lessee Fibers into operation (and Lessee's failure to complete such work shall not be grounds for rejection of a Completion Notice). Lessor shall give Lessee thirty (30) days prior notice of the time and location of the Acceptance Testing, and Lessee shall have the right, but not the obligation, at Lessee's cost and expense, to be present to observe the Acceptance Testing. Lessor shall provide Lessee with a copy of such test results. Lessor shall deliver the Leased Fibers to Lessee in conformance with the manufactured specifications.

(b) Upon the successful completion of Acceptance Testing, Lessor shall provide written notice of same to Lessee (a "Completion Notice"). Lessor shall contemporaneously deliver a copy of the results of the Acceptance Testing and Lessee shall, within fifteen (15) days of receipt of the Completion Notice, either accept or reject the Completion Notice (Lessee shall be permitted to reject only if Lessee specifies a material failure of the Leased Fibers to satisfy the requirements of this Agreement) by delivery of written notice to Lessor. In the event Lessee rejects the Completion Notice, Lessor shall promptly, and at no cost of Lessee, commence to remedy the defect or failure specified in Lessee's notice. Thereafter Lessor shall again conduct Acceptance Testing and (if successfully completed) provide Lessee a Completion Notice. The foregoing procedure shall apply again and successively thereafter until Lessor has remedied all defects or failures specified by Lessee. Any failure by Lessee to timely reject a Completion Notice, or any use of the Leased Fibers by Lessee for any purpose other than testing, shall be deemed to constitute acceptance for purposes of this Agreement and Lessee shall be deemed to have delivered a notice of acceptance upon such use or on the fifteenth (15th) day after delivery of the Completion Notice.

11. Relocation of the Facilities. Lessee recognizes that, from time to time, Lessor may elect or be required to relocate the Leased Fibers. If the relocation is for the convenience of Lessor the Lessor shall

be solely responsible for all costs incurred to relocate the Leased Fibers. If the relocation is a requirement by law, contract, loss of right of way, or any other reason beyond Lessors control, the expense will be shared on a prorata basis between Lessor and Lessee. Lessor shall use commercially reasonable efforts to effect any relocation in a manner that shall not cause any material interruption to Lessee's use of the Leased Fibers, where possible

12. Condemnation and Casualty.

(a) Condemnation. If all or any portion of the Leased Fibers are taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain, Lessee shall be entitled to terminate this Agreement with respect to the Leased Fibers affected. In such event, both parties shall be entitled to participate in any condemnation proceedings to seek to obtain compensation by either joint or separate awards for the economic value of their respective interests in the Leased Fiber and shall equitably share any awards as their economic interests appear.

(b) Casualty. If all or any portion of the Leased Fibers are made inoperable and beyond feasible repair due to a Casualty or other Force Majeure Event (as the term is defined in Section 19 below), Lessee shall be entitled to terminate this Agreement with respect to the Leased Fibers affected by such casualty or other event. In such event, both parties shall be entitled to seek to recover the economic value of their respective interests in the Leased Fibers (i) under any insurance policy carried by either party or any third party, or (ii) in either joint or separate actions, from any third party which may be legally responsible for causing such casualty. The parties shall equitably share any recoveries as their economic interests appear. This section shall not apply to any short-term failure, interruption or impairment that, based upon an assessment of the Lessor, can be repaired.

13. Proprietary Information. Each party acknowledges that in the course of the performance of this Agreement, it may have access to and/or may receive from the other party privileged and proprietary information claimed to be unique, secret and confidential, and which constitutes the exclusive property or trade secrets of the other, and the parties acknowledge that they are in a confidential relationship with each other. Confidential information may be presented in documents that may or may not be marked with a restrictive notice, or, otherwise tangibly designated as proprietary or during oral discussions. Each party agrees to maintain the confidentiality of the proprietary information and to use the same degree of care as it uses with regard to its own proprietary information to prevent the disclosure, publication or unauthorized use of the proprietary information. Neither party may duplicate or copy proprietary information of the other party other than to the extent necessary for legitimate business uses in connection with this Agreement. A party shall be excused from these nondisclosure provisions if the proprietary information has been or is subsequently, made public by the other party or is independently developed by such party or if the other party gives its express, prior written consent to the disclosure of the proprietary information or if the disclosure is required by law or regulation. Notwithstanding anything to the contrary in this Agreement, this provision shall survive the termination or expiration of this Agreement.

14. Indemnification.

(a) The Parties shall indemnify and hold harmless each other and each other's affiliates, officers, directors, employees, stockholder, partners and agents of the indemnified Party from and against any and all claims, demands, costs, damages, losses, liabilities, joint and/or several, expenses of any nature (including reasonable attorneys', accountants' and experts' fees and disbursements), judgments, fines, settlements and other amounts (collectively, "Damages") arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative (collectively "Claims") relating to or arising out of:

- (i)
- (ii) any breach by the indemnifying Party of any material obligation or covenant under this Agreement;
- (iii) any claim of any third party resulting from the negligence or willful misconduct of the Indemnifying Party.

Lessee shall indemnify Lessor for the installation, maintenance or operations of Lessee's connections to the Leased Fibers or the conduct or management of Lessee's business with regard to the Leased Fibers or the connections thereto, except to the extent such Damages are caused by Lessor or its agents;

(b) Survival. The provisions of this Section 14 shall survive the termination of this Agreement.

15. LIMITATION OF LIABILITY. IN NO EVENT SHALL THE PARTIES BE LIABLE TO EACH OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHATSOEVER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE, OR USE, INCURRED OR SUFFERED BY EITHER PARTY OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF THE OTHER PARTY OR ANY OTHER PERSON HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES.

16. Provision of Insurance Coverage. Each party or its affiliates shall, at its own expense, secure and maintain in force, throughout the term of this Agreement, general liability insurance, with competent and qualified issuing insurance companies, including the following coverages: product liability, hazard of premises/operations (including explosion, collapse and underground coverages); independent contractors, products and completed operations (extending for two years after the termination of this Agreement); blanket contractual liability (covering the liability assumed in this Agreement); personal injury (including death); and broad form property damage in policy or policies of insurance such that the total available limits to all insured shall not be less than \$2,000,000 combined single limit for each occurrence and \$2,000,000 aggregated for each annual period. Such insurance may be provided in policy or policies, primary and excess, including the so-called umbrella or catastrophe forms. Lessee's policies required by this Section shall be endorsed to show Lessor, its parent and affiliates and its directors, officers, agents, servants, employees and independent contractors as additional insured; require the insurance companies to notice Lessor at least thirty (30) days prior to the effective date of any cancellation or modification of such policies; waive all rights of recovery, under subrogation or otherwise, against Lessor, its parent and affiliates and its directors, officers, agents, servants, employees and independent contractors; and shall specify that the policy is primary and shall apply without consideration for other policies separately carried.

17. Events of Default. Each of the following events shall constitute an event of default (whether any such event shall be voluntary or involuntary or occur by operation of law or pursuant to any judgment, decree, order, rule or regulation of any court or administrative or governmental body):

(a) The failure of Lessee to make any lease payment pursuant to Section 3 hereof or any other payment due hereunder and the continuation of such failure for fifteen (15) days after written notice is given by Lessor demanding such payment;

(b) The failure of either party to carry and maintain insurance in compliance with all provisions of Section 16 hereof;

(c) The failure of either party to perform or observe any material covenant or agreement to be performed or observed by it hereunder, and such failure shall continue substantially unremedied for a period of thirty (30) days after written notice is given to the defaulting party;

(d) A court or governmental authority of competent jurisdiction enters an order appointing, without consent by either party, a custodian, receiver, trustee, intervener, or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up, or liquidation of either party, or if any such petition shall be filed against either party and shall not be dismissed within sixty (60) days thereafter, or an order shall have been issued granting either party a suspension of payments under applicable law and any such order is not dismissed within sixty (60) days thereafter; or

(e) Either party ceases to have any of the material franchises, licenses, agreements, certificates, concessions, permits, rights or privileges required for the conduct of its business and operations which loss is not remedied by the obtaining of a replacement franchise, license, agreement, certificate, concession, permit, right or privilege within sixty (60) days of the loss thereof, if such loss would have a material adverse effect upon the ability of the party suffering such loss to perform its obligations or enjoy its rights hereunder.

18. Remedies. Upon the occurrence and during the continuance of any event of default, the non-defaulting party may, at its option, declare this Agreement to be in default and may, in addition to any other remedies provided herein, terminate this Agreement. No remedy is intended to be exclusive, but each shall be cumulative and in addition to and may be exercised concurrently with any other remedy available to Lessor or Lessee at law or in equity.

19. Disconnecting from the System. Lessee shall pay any costs associated with disconnecting from the System, and shall ensure that the Leased Fiber and the System connections are left in the condition that existed prior to the Lessee connecting to the System. Lessee agrees that should the Lessor determine, in the Lessor's sole discretion, that upon disconnection the Lessee has not left the Leased Fiber and the System in the condition that existed prior to the Lessee connecting to the System, the Lessor shall restore and repair the Leased Fiber and the System at the sole cost and expense of Lessee.

20. Force Majeure Events. Neither party shall be liable to the other for any failure of performance under this Agreement due to causes beyond its control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action or request of the United States Government, or if any other government, including state and local governments having or claiming jurisdiction over such party, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; or strikes, lock-outs, work stoppages or other labor difficulties (collectively, "**FORCE MAJEURE EVENTS**").

21. Obligations of Lessee. In addition to the obligations of Lessee set forth elsewhere in this Agreement, Lessee shall:

(a) have full and complete control, responsibility and liability for the signals distributed over the fiber optic components of the Leased Fibers leased by Lessee or for its benefit;

(b) have full and complete control, responsibility and liability for the purchase, installation, construction and maintenance of the terminals and peripheral equipment connected to capacity on the fiber optic components of the Leased Fibers leased by Lessee;

(c) employ its own employees, agents and/or independent contractors in the handling, storage, retrieval, processing transmitting and/or receiving of any electronic signals distributed over the fiber optic components of the Leased Fibers leased by it;

(d) provide all commercial or other power supplies for the operation of the fiber optic components of the Leased Fibers, terminals and peripheral equipment or facilities used with or connected to the Leased Fibers and located on Lessee's, or its customer's premises;

(e) have full and complete control, responsibility and liability for operating and maintaining any operating authority from any federal, state or local governmental body or agency that relates to the activities of Lessee under this Agreement, including Lessee's lease of channel capacity on the fiber optic components of the Leased Fibers;

(f) maintain all books and records relating to the fiber optic components of the Leased Fibers; and

(g) Be responsible for paying any and all existing or future sales, use, excise, franchise, property, or other fees or taxes imposed or levied by any federal, state or local taxing authority on the property within this IRU.

22. Interest. All payments due from either party to the other under the terms of this Agreement which are not paid when due shall bear interest from the due date (net 30) until paid at an interest rate equal to the lesser of 1-1/2% per month or the maximum lawful rate permitted by law.

23. Assignment. Lessee shall not assign, transfer, delegate or in any other manner dispose of, any of its rights, privileges or obligations under this Agreement except in accordance with section 24 and without the express written consent of Lessor, which consent shall not be unreasonably delayed or withheld. Notwithstanding the above, Lessee shall have the right, without the consent of Lessor, to assign, in whole or in part, this Agreement in connection with any corporate reorganization or to any party in conjunction with a merger, consolidation or sale of all or substantially all of Lessee's assets. Nothing in this Section or in this Agreement shall be construed to restrict Lessee's sale or provision of telecommunications services, circuits, or capacity via the Leased Fibers to third parties or require Lessor's consent therefore.

24. SUBLETTING OF LEASED FIBERS. The Lessee shall have the right to sublet its leased fibers to third-parties upon the following conditions:

- (1) The sublease cannot alter, in any manner, the terms of this Dark Fiber Lease Agreement;
- (2) The Lessor will have no responsibility or liability to the Sublessee.

25. Miscellaneous.

(a) Demarcation Point. A point on one side of which is Lessees' responsibility for liabilities, ensuring connections, and paying for and installing equipment, termed Premise Side; the other side of the

Demarcation Point shall be termed Network Side. Lessor shall specify points of demarcation based on the needs of the Lessee.

(b) Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which together shall constitute one and the same instrument, and in pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one complete set of such counterparts.

(c) Captions; Gender. Article and Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Whenever used herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

(d) Governing Law and Binding Effect. This Agreement shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by the laws of the State of Michigan. The exclusive venue for all cases or disputes related to or arising out of this Agreement shall be the state and federal courts in Michigan. This Agreement shall bind and inure to the benefit of each of the parties and their successors and permitted assigns.

(e) Waivers and Amendments. This Agreement may not be amended nor shall any waiver, change, modification, consent or discharge be affected, except by an instrument in writing adopted, in the case of an amendment, by each party and, in the case of a waiver, consent or discharge, by the party against whom enforcement of such instrument is sought. Any consent by either party to, or waiver of, a breach by the other party shall not constitute a waiver or consent to any subsequent or different breach. If either party shall fail to enforce a breach of this Agreement by the other party, such failure to enforce shall not be considered consent to or a waiver of said breach or any subsequent breach for any purpose whatsoever.

(f) Relationship Not a Partnership of an Agency. The Relationship between Lessee and Lessor shall not be that of partners or agents for one another and nothing contained in this Agreement shall be deemed to constitute a partnership, joint venture or agency agreement between them.

(g) Notices. All notices, requests, demands, statements, reports and other communications under this Agreement shall be in writing and deemed to be duly delivered, if delivered in person, by overnight courier or by certified or registered mail:

If to Lessee

City Manager
City of Hillsdale
97 North Broad Street
HILLSDALE, MI 49242

If to Lessor:

Steve Schoen
President
1800 N Grand River Ave
Lansing, MI 48906

With a copy to:

Either party hereto may change its mailing address by giving notice to the other pursuant to the provisions of this paragraph.

(h) **Disclaimers.** There are no agreements, warranties or representations, express or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability and fitness for a particular purpose or use, except those expressly set forth herein.

(i) **Entire Agreement.** This Agreement, including the exhibits, schedules and annexes hereto, which are hereby incorporated by reference and made a part of this Agreement as if they were fully set forth herein, constitutes the entire agreement between Lessor and Lessee with respect to the subject matter hereof and supersedes all prior agreements and understandings between them as to such subject matter, and there are no restrictions, agreements, arrangements or undertaking, oral or written, between Lessor and Lessee relating to the transactions contemplated hereby which are not fully expressed or referred to herein.

(j) **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforce by any rule or law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the greatest extent possible.

26. Special Provisions. This engagement between Lessor and Lessee may require that certain special provisions be added as terms to this Agreement. If this engagement requires such special provisions, they shall be set forth in the attached Exhibit B.

27. Commencement of Lessee Payments. IRU term and Lessee monthly payments shall commence at the time the network becomes serviceable or lessee's electronics are connected, whichever occurs first.

28. Transfer of Ownership. 90 days prior to the expiration or termination of this 20 year Agreement, Lessee may upon giving 30 days notice to Lessor, and upon payment of \$1.00, take full ownership and title to any Lessee Fiber as specified in the notice. Lessor agrees to execute any documents or other instruments reasonably required by grantee to effectuate such transfer of ownership and title. Notwithstanding transfer of ownership of Lessees Fibers under this paragraph, the rights and responsibilities of the parties will remain the same as set forth in this agreement for the original term of the Agreement with respect to all lessee fibers regardless of whether ownership has transferred or not, including but limited to the rights and responsibilities of the parties. After the term of this agreement and subsequent transfer of ownership, lessee agrees to reimburse lessor for any ongoing or subsequent expenses associated with the transferred fibers and/or it's attachments..

29. IN WITNESS WHEREOF, an intending to be legally bound, the parties have executed this Agreement on the dates indicated below.

By: _____

Name: Kevin Schoen

Title: ACD.Net CEO

Date: _____

By: _____

Name: Scott Sessions

Title: Mayor

Date: _____

By: _____

Name: Michelle Loren

Title: City Clerk

Date: _____

Exhibit B

Special Provisions

Scope of Work: Lessor shall install a 144 fiber cable of which 48 fibers are included in this IRU. Fibers will be installed in accordance with best practices specified by the fiber optic cable manufacturer. The fibers will be installed on utility poles where applicable and direct buried and/or directional bored as allowed by state & local ordinances.

Lessor will provide Construction drawings and details upon completion of Design and Engineering process detailed in the Project Timeline. Lessor will provide OTDR turn up and test plan documentation. Lessor shall provide a detailed construction schedule upon completion of the Design and Engineering for each segment of Fiber.

City of Hillsdale Agenda Item Summary

Meeting Date: November 3, 2014

Agenda Item #9: Old Business

SUBJECT: Airport Management – Fixed Base Operator Agreement

BACKGROUND:

Due to City Manager, Linda Brown's medical leave, the Airport Manager's Fixed Base Operator Agreement was delayed. A tentative agreement has been reached and reviewed by our City Attorney, Lewis Loren.

CITY MANAGER RECOMMENDATION:

I recommend City Council approve the Airport Manager's Fixed Base Operator Agreement and request authorization for signatures by the Mayor and Deputy City Clerk.

FISCAL IMPACT: Annual compensation increased from \$35,000 to \$38,000. Future increases dependent upon regular evaluations.

LOREN & SHIRK

ATTORNEYS AT LAW
P.O. BOX 246
HILLSDALE, MICHIGAN 49242

LEWIS I. LOREN
KEVIN G. SHIRK

91 SOUTH BROAD STREET
HILLSDALE, MICHIGAN
TELEPHONE (517) 439-1421

October 29, 2014

Douglas Terry
Hillsdale City Manager
Hillsdale City Hall
Hillsdale, Michigan 49242

Re: Airport Manager/Fixed Base Operator Contract

Accompanying this letter are two copies of the Airport Manager/Fixed Base Operator Contract. As you requested, I have changed the compensation payable to the airport manager from \$35,000 per fiscal year to \$38,000. Please note that the contract, when signed, is intended to be effective back to July 1, 2014.

I have reviewed the proposed contract for form and the City's legal authority to enter it. In my opinion the contract, when executed, is in proper form for execution. It is my further opinion that the contract is within the City's legal authority to enter this contract, subject to Council's approval and signing authorization.

I make no comment on the specific terms and conditions contained in the contract or any attachments to it other than that they appear to be within the law.

If you have any questions, please feel free to contact me. Thank you.

Lewis I. Loren

LIL/cs
Enclosures

AIRPORT MANAGEMENT/FIXED BASE OPERATOR AGREEMENT

Preamble:

The City of Hillsdale, a Michigan municipal corporation, of Hillsdale, Michigan (Hillsdale) owns and operates an airport facility for the use and benefit of its citizens and other members of the general public. In order to ensure its proper and efficient utilization for the public good, Hillsdale is in need of obtaining and/or retaining the services of a competent and qualified individual to manage its airport facility on an independent contractor basis.

James Scheibner (Scheibner), of Hillsdale, Michigan, is currently the manager of Hillsdale's airport facility on an independent contractor basis. He represents and holds himself as being a competent and qualified individual to provide the airport management services required by Hillsdale for its airport and its facilities. Scheibner has expressed his interest in continuing to manage Hillsdale's airport and its facilities on an independent contractor basis.

Hillsdale, in reliance on Scheibner's expression of interest and his representations regarding his competence and qualifications to act as manager of Hillsdale's airport and its facilities, has agreed to enter this agreement for Scheibner's management services. Scheibner has agreed to provide his management services to Hillsdale in consideration of the payment to him of the sums hereinafter specified.

Additionally, Hillsdale Aero, Inc., a Michigan corporation, (Hillsdale Aero) is currently operating a fixed base operator business on Hillsdale's airport premises. This is a commercial, for profit, business formed for that sole purpose under the laws of the State of Michigan and is represented to Hillsdale by its President as being in good standing with the competence, knowledge, qualifications, proper licensing and ability to provide fixed base operator services to the users of Hillsdale's airport.

The shareholders of Hillsdale Aero are James Scheibner and Holly Scheibner. The officers of said corporation are as follows:

James Scheibner, President
Holly Scheibner, Secretary
James Scheibner, Treasurer

Hillsdale Aero and Scheibner represent that Scheibner is currently in charge of and responsible for all corporate activities, undertakings, obligations and operations. It is further represented that Scheibner will continue to hold the office of Hillsdale Aero's president with full authority and responsibility for all corporate activities, undertakings, obligations and operations during the term of this agreement and any renewals. Hillsdale Aero and Scheibner also represent that Scheibner is vested with all necessary corporate authorization to enter into this agreement on Hillsdale Aero's behalf. Hillsdale Aero is desirous of continuing its fixed base operator business on the Hillsdale airport premises.

Hillsdale, in consideration of the mutual promises and covenants made between the parties to this agreement, and in reliance on the representations of Scheibner and Hillsdale Aero to it, is willing to engage Scheibner as its airport manager and accept Hillsdale Aero as a fixed base operator on its airport premises. Accordingly, the parties have entered the following agreement for the purpose of setting forth the terms and conditions that will regulate Hillsdale's relationship with Scheibner, as manager of its airport facility, and with Hillsdale Aero, as operator of a fixed base operator business on Hillsdale's airport premises.

AGREEMENT

I. Management of Airport

1. Hillsdale and Scheibner hereby agree that Scheibner shall provide services for Hillsdale as manager of Hillsdale's airport and its facilities, subject to and in accordance with all terms and conditions of this agreement. All terms and conditions set forth in this Section I. Management of Airport are intended to regulate the relationship between and the responsibilities of Hillsdale and Scheibner to each other with regard to the management Hillsdale's airport.

2. The term of the agreement between Hillsdale and Scheibner for Scheibner's services as manager of Hillsdale's airport and its facilities shall commence on July 1, 2014 and terminate at 11:59 p.m. on June 30, 2016, unless sooner terminated as provided in this agreement.

3. Hillsdale and Scheibner expressly and specifically agree and understand that Scheibner's manager services to Hillsdale pursuant to this agreement are to be rendered on an independent contractor basis.

4. Scheibner shall have no authority to bind, commit or obligate Hillsdale to any payment, improvement, project, contract, undertaking, course of dealing, purchase or sale, whether involving real or personal property, and whether tangible or intangible; nor shall Scheibner undertake to perform any action or make any representations to any third parties or the general public at large on behalf of Hillsdale or in its name except as specifically authorized herein or by other written instrument signed by Hillsdale's City Manager or such other person as is authorized by Hillsdale's Council.

5. Scheibner shall be solely and exclusively responsible for providing and accomplishing the manager services contemplated by this agreement by scheduling such hours, establishing such procedures, hiring such employees of his own and making such provisions as he deems necessary to fulfill his obligations hereunder, all in accordance with and subject to the terms and provisions of this agreement.

6. Hillsdale agrees to provide at least eight hundred (800) square feet of the existing main building (administration building) for use, on a non-exclusive basis by Scheibner in his capacity as airport manager in the operation and administration of the airport and as a lobby and waiting room by the general public and users of Hillsdale's airport and its facilities, and for such purposes as Hillsdale might from time to time authorize.

7. Hillsdale shall furnish and equip the eight hundred (800) square foot area referenced in Paragraph 6 above as Hillsdale, in its sole discretion, determines to be needed and appropriate; provided, however, that such furnishings and equipment shall properly accommodate the service needs of the users of Hillsdale's airport and its facilities, the general public and other authorized users in a manner that Hillsdale determines is consistent and in accordance with good airport practices, general safety, and all applicable laws, rules and regulations.

8. Hillsdale shall provide the above-referenced eight hundred (800) square foot area with adequate water, public telephone, toilet and sewage, heating and electric systems. Hillsdale shall pay all expenses and any service charges associated with the provision thereof.

9. Hillsdale shall also provide, at its expense, for such telephone service, cable television service, internet and WI-FI service and any other utilities, facilities and equipment in the above-referenced eight hundred (800) square foot area that Hillsdale, in its sole discretion, determines necessary for the operation of its airport and the facilities located thereon, whether on the same basis as now exist or otherwise.

10. Hillsdale shall also be responsible for and promptly pay when due, the following:

A. Hillsdale shall promptly pay when due all electric charges for electric service to the administration building, the maintenance building, and to all other airport facilities that are leased to or otherwise under the control of Hillsdale Aero for use in connection with a fixed base operator business or other enterprise.

B. Hillsdale shall promptly pay when due all propane gas and/or fuel oil charges as are incurred in connection with heating the administration building and the maintenance building.

C. Hillsdale shall obtain, provide and pay the premiums for such insurance coverage as Hillsdale, in its sole discretion, determines necessary to insure and protect the airport, the administration building, and such of its facilities as are managed for Hillsdale by Scheibner from damage or loss by fire, windstorm or other casualty promptly with such insurance carriers and limits of liability as Hillsdale, in its sole discretion, determines to be adequate.

D. Hillsdale shall obtain, provide and pay the premiums for general liability insurance coverage, with such insurance carriers, coverage and limits of liability as Hillsdale, in its sole discretion, determines necessary with regard to the use of those portions of the airport and its facilities under its control and being managed for it by Scheibner under this agreement. Scheibner shall be included as an additional named insured in the general liability policy or policies and appropriate proof of such insurance shall be provided to him.

E. Hillsdale shall obtain, provide and pay one-half of the premiums for pollution liability insurance covering Hillsdale and Hillsdale Aero, Inc. as named insured, with such insurance carriers, coverage and limits of liability as Hillsdale, in its sole discretion, determines necessary with regard to their respective use of those portions of the airport and its facilities under their respective control, as provided in this agreement. Hillsdale shall provide proof of such coverage to Hillsdale Aero.

11. Hillsdale and Scheibner shall be responsible for such repairs and maintenance as are necessary to maintain the airport facilities to be managed by Scheibner in at least as good condition as at present on the following basis and in accordance with the following procedures:

A. Upon learning of any condition that constitutes or might constitute a condition requiring major emergency repairs or major emergency maintenance, as those terms are defined, James Scheibner shall immediately provide a written report to Hillsdale's City Manager of each such condition. Hillsdale shall undertake and diligently pursue to completion all repairs and maintenance that it, in its sole discretion, determines qualify for treatment as major emergency repairs or major emergency maintenance. Hillsdale shall undertake and diligently pursue any such major emergency repairs and major emergency maintenance to completion as soon as reasonably possible after the need for such major emergency repairs or major emergency maintenance is determined.

"Major emergency repairs or major emergency maintenance" is defined as any repairs or maintenance that Hillsdale determines will cause or result in an immediate threat to the safety of and well-being of individuals and property or an immediate diminishment in the services provided at Hillsdale's airport for Hillsdale, users of its airport and its facilities, and members of the general public, if not undertaken or performed within the then current fiscal year.

B. Repairs or maintenance that Hillsdale, in its sole discretion, determines to be qualified for treatment as major non-emergency repairs or major non-emergency maintenance, as those terms are hereinafter defined, shall be undertaken and performed in accordance with the following procedure:

(i) Scheibner shall provide a written report to Hillsdale's City manager in which he details and specifies the condition that he believes constitute and qualify for major non-emergency repairs or major non-emergency maintenance as soon as they become known to him.

(ii) In the event, Hillsdale, in its sole discretion, determines that the requested repairs or maintenance qualify as major non-emergency repairs or major non-emergency maintenance and are needed, they shall be proposed for inclusion in the next Hillsdale fiscal year budget in which such repairs or maintenance can reasonably be implemented.

(iii) To the extent approved and included by Hillsdale in a fiscal year budget, such repairs or maintenance shall be scheduled, undertaken and performed within said fiscal year.

“Major non-emergency repairs and major non-emergency maintenance” are defined as any repairs or maintenance that Hillsdale determines will not cause or pose an immediate threat to the safety and well-being of individuals and property or result in a diminishment in the services being provided at Hillsdale’s airport for Hillsdale, users of its airport and its facilities and members of the general public if not undertaken or performed within the then current fiscal year.

C. Scheibner shall perform or cause the performance of routine repairs and maintenance on the leased premises as well as on and to those areas and facilities used by him or otherwise under his control on a timely basis at his sole expense, utilizing materials and supplies that Hillsdale supplies at its sole expense. “Routine repairs and maintenance” are defined as being those repairs and that maintenance that are or is required to maintain the general appearance, reasonable safety and working order of Hillsdale’s airport and its facilities that are minor in nature and do not qualify as either major emergency or major non-emergency repairs or maintenance. Included in this category, by way of example and not limitation, are such repairs and maintenance as general housekeeping, facilities, fixtures, equipment, and ground maintenance, changing light bulbs, etc.

D. Notwithstanding anything in this agreement to the contrary, Scheibner shall be solely responsible, at his sole expense, for the prompt repair and maintenance of all major non-emergency repairs and the immediate repair of all major emergency repairs of property damage that is caused by or results from the negligence or intentional acts or omissions of Scheibner, his employees, agents, licensees, customers or invitees.

12. Hillsdale shall be responsible for the snow removal from the public roadways, parking lots, runways and taxi strips. Scheibner shall be responsible for snow removal adjacent to the administration building, inclusive of the shop area, as well as from all sidewalks and walkways.

13. Hillsdale shall be responsible for mowing the grass in areas adjacent to public roadways, public lots, runways and taxi strips. Scheibner shall be responsible for mowing grass and trimming shrubbery adjacent to the administration building, inclusive of the shop area, and all hangar buildings.

14. In addition to the obligations and responsibilities described in the preceding paragraphs of this agreement, Scheibner, with respect to those portions of Hillsdale’s airport and its facilities that he is to manage for Hillsdale under this agreement, shall, in consideration of the various items of compensation to be paid to him:

A. Operate and manage the airport and its facilities in a manner that is consistent with generally accepted good airport management practices, including, but not limited to, those as might be or are recommended or required, now or in the future, by the Michigan Department of Transportation, the Federal Aviation Administration, or any other federal, state or local governmental unit, department or agency that now or

hereafter has jurisdiction or authority over Hillsdale's airport, its facilities and/or operations conducted thereon, as well as all other applicable law, rules, and regulations now or hereafter promulgated and/or adopted;

B. Maintain a current, up-to-date working knowledge of all applicable laws, rules and regulations regarding the operation and administration of Hillsdale's airport and its facilities and to abide by and comply with them in their entirety.

C. Operate, hold open and provide the services contemplated by this agreement on each calendar date of the year during all daylight hours and at such other reasonable times as might be necessary to accommodate the service needs and interests of Hillsdale, users of said airport and its facilities with the exception of Thanksgiving and Christmas on which dates said airport facilities shall be closed to users of the airport and its facilities and the general public.

D. Provide prompt, courteous and efficient service, as is necessary and adequate to meet the reasonable service needs and demands of those utilizing the airport and its facilities on a fair, equal and non-discriminatory basis;

E. Provide for and enforce the proper security of the airport, its facilities and equipment.

15. Scheibner's annual compensation for his services as Hillsdale's independent airport manager for each of the fiscal years July 1, 2014 through June 30, 2015 and July 1, 2015 through June 30, 2016 shall be \$38,000.00 per year payable as follows:

A. For the fiscal year July 1, 2014 through June 30, 2015:

One-twelfth (1/12) thereof shall be due and payable on or before the 5th day of July 2014 and a like amount on or before the 5th day of each month thereafter through and including June 5, 2015.

B. For the fiscal year July 1, 2015 through June 30, 2016:

One-twelfth (1/12) thereof shall be due and payable on or before the 5th day of July 2015 and a like amount on or before the 5th day of each month thereafter through and including June 5, 2016.

II. Fixed Base Operation

Fixed Base Operator

1. Hillsdale Aero and Scheibner, in order to induce Hillsdale to grant Hillsdale Aero permission to operate a fixed base operator business, for profit, on Hillsdale's airport premises, have made material representations to Hillsdale concerning the experience, professional competence, financial responsibility, character and other qualifications possessed by each of them. Scheibner and Hillsdale Aero have also made material representations to Hillsdale that are

relied on by Hillsdale with respect to the nature, extent and quality of the services that Hillsdale Aero will offer as fixed base operator to users of Hillsdale's airport and its facilities; the equipment and facilities that will be provided and used in the delivery of such services in; and that during the term of this agreement and any extensions and renewals, as one of the conditions for their continuance;

A. Scheibner will at all times continue in his current position as President of Hillsdale Aero; and

B. Scheibner will remain personally in charge of and responsible for all corporation activities, undertakings, obligations and operations as fixed base operator.

2. In reliance on and on the basis of the representations of Scheibner and Hillsdale Aero to Hillsdale, Hillsdale has determined Hillsdale Aero to be a competent and qualified entity to operate a fixed base operator business, for profit, on Hillsdale's airport premises on a non-exclusive basis; and to be a responsible party to enter a lease with Hillsdale.

3. Subject to the terms and conditions contained herein, Hillsdale agrees to and does hereby lease to Hillsdale Aero, and Hillsdale Aero agrees to and does hereby lease from Hillsdale, the following facilities for its exclusive use while operating its fixed base operator business, said lease being personally and individually guaranteed by James Scheibner:

A. The administration building, excepting the 800 square feet thereof which is to be utilized by the airport manager in operating and administering Hillsdale's airport and its facilities;

B. The maintenance building;

C. All hangars on Hillsdale's airport premises now or hereafter owned, leased or otherwise controlled by Hillsdale that have or will become titled in and owned by Hillsdale during the term of this agreement, except as otherwise hereinafter provided.

4. The term of this lease agreement between Hillsdale and Hillsdale Aero, inclusive of any corporation through which it does business as provided for herein, shall commence on July 1, 2014 and terminate at midnight on June 30, 2016, unless earlier terminated as hereinafter provided.

A. Hillsdale Aero agrees to pay Hillsdale the total sum of \$18,000.00, as rent, under this lease in quarterly payments of \$2,250.00 that will be due in the months of October, January, April and July, against which Hillsdale Aero shall receive a credit for the sums paid to Hillsdale during the quarter of Hillsdale's share of revenue that Hillsdale Aero generates from fuel sale from the onsite fuel farm and hangar rentals.

B. Hillsdale's Finance Director shall establish and notify Hillsdale Aero in writing as to the exact due date for each quarterly rental payment and the date by which calculation of credits against such rent shall be computed from the records Hillsdale Aero

is required to supply by the terms hereof.

C. If the credits against the rent due leave a portion of the rent owing, Hillsdale Aero shall forthwith pay Hillsdale the remaining rent; provided, however, that if the credits exceed the rent due, Hillsdale shall forthwith pay Hillsdale Aero the overage.

5. Hillsdale Aero's fixed base operator business shall provide, among other things, the following products, facilities and/or services to users of Hillsdale's airport and its facilities as and in accordance with applicable federal, state or local laws, rules or regulations:

A. Hangars for the housing of aircraft and related equipment, said hangars to be available on a rental basis to the users thereof, provided, however, that Hillsdale Aero shall not erect or construct any hangars on Hillsdale's airport premises without Hillsdale's prior written consent and knowledge of agreement.

B. An aircraft repair and maintenance shop utilizing appropriate parts that are acceptable in the industry for the purpose intended, and the services of competent aircraft mechanics and/or technicians who are properly trained, qualified and licensed;

C. The sale of aviation fuel (Avgas) and jet fuel exclusively from and through Hillsdale's fuel farm to users of Hillsdale's airport on terms hereinafter provided, together with the sale of oil and other essential products and services necessary to the safe operation and maintenance of aircraft that are utilizing Hillsdale's airport and its facilities and/or the services of Scheibner's fixed base operator business;

D. The sale of airplanes, airplane parts and accessories;

E. Conference rooms;

F. Pilot training; provided that the decision to provide pilot training services or not shall be as Hillsdale Aero from time to time determines within its sole discretion.

6. Hillsdale and Hillsdale Aero specifically agree that Hillsdale Aero's fees and charges for services rendered and products sold by its fixed based operator business shall be established by Hillsdale Aero with the exception of aviation fuel prices, which shall be set at a price per gallon that is not less than 2% under the prevailing average price per gallon that is charged at airports within 75 miles of Hillsdale's airport.

A. Hillsdale Aero agrees to inform Hillsdale, when requested by either the FAA or Hillsdale, as to the prices charged by this fixed base operator business for petroleum products such as, but not limited to, aviation fuels and oil.

7. In fulfillment of its obligation to provide for the sale of aviation fuel (Avgas) and jet fuel to users of Hillsdale's airport, Hillsdale Aero agrees to operate Hillsdale's fuel farm that is located on the leased premises as hereinafter provided and subject to the following:

A. Hillsdale shall promptly review and approve, in whole or in part, each written notification from Hillsdale Aero of the need for additional Avgas and jet fuel, as hereinafter set forth, and provide Hillsdale Aero with written authorization as to the type and number of gallons of each that it may order. Written notification may be provided via email directed to the City Manager, or in handwritten or typed format delivered to the City Manager.

B. No Avgas or jet fuel may be ordered or delivered to the fuel farm and none will be paid for without Hillsdale's prior written authorization to Hillsdale Aero.

C. Hillsdale shall pay for all Avgas and jet fuel that it approves Hillsdale Aero to order for delivery to the fuel farm for sale to users of Hillsdale's airport and others.

D. Hillsdale agrees that it shall authorize Hillsdale Aero's purchase of a sufficient amount (gallons) of Avgas and a sufficient amount (gallons) of jet fuel for Hillsdale Aero's sale to users of Hillsdale's airport, which Hillsdale shall pay for from the sales of such fuel, net of credit card fees, fuel costs, and other associated expenses; provided that Hillsdale's obligation to authorize the purchase such fuel and to pay for it are and shall be subject to and contingent on Hillsdale Aero's strict compliance with the following terms and conditions. Accordingly, Hillsdale Aero agrees to and represents that it shall:

(i) Operate Hillsdale's fuel farm in accordance with good management and safety practices, including, but not limited to the following:

(ii) Maintain and provide Hillsdale with appropriate detailed records covering the preceding calendar month showing the number of gallons of each type of aviation fuel delivered to the fuel farm and the number of gallons of each type of aviation fuel sold to users of the airport or others, and the price per gallon at which such sales were made, together with all associated financial and other related information as Hillsdale might reasonably request.

(iii) Pay over or cause payment to be made over to Hillsdale of all sales proceeds generated from the sales of all gallons of aviation fuel when and as they are sold, whether paid by credit card, check, money order, or cash. For purposes of this subparagraph "cash" shall include any sales based or allowed on any credit extension other than by way of credit card.

(iv) Regularly check fuel levels and provide timely written notification to Hillsdale specifying the need for additional fuel deliveries, the types of aviation fuel needed and the number of gallons required with such frequency as to assure that sufficient fuel is always on hand to meet the demand and need for fuel by users of the airport or others.

(v) Undertake, perform and maintain records of all tests, test results and reports that might be or are required under or pursuant to any federal or state statute, rule or regulation.

(vi) Operate the fuel farm and dispense fuel so as to avoid and eliminate spills or other contamination, and in a manner that is consistent with good environmental practice.

(vii) Undertake and perform all other tasks, functions and activities, as are necessary and/or required to keep and maintain Hillsdale's fuel farm in good working order and compliant with all applicable law.

E. As compensation to Hillsdale Aero for and in connection with the operation of Hillsdale's fuel farm and the sale of products therefrom during the term of this Agreement, Hillsdale agrees to and shall pay Hillsdale Aero on a monthly basis an amount equal to 55% of the proceeds generated from the sale of aviation fuel in the preceding calendar month after deduction of fuel costs, credit card fees, and other associated expenses directly incurred in connection with the sale of fuel, but in no case including replacement of any equipment or components used to pump it. Hillsdale shall retain the remaining 45% of net proceeds as its sole and separate property as a credit against the rent due on this lease.

8. In fulfillment of its obligation to provide hangars for rent to users of Hillsdale's airport, it is agreed that Hillsdale Aero shall have the exclusive control over all 18 of Hillsdale's hangars during the term of this lease, except as hereinafter provided and subject to the following provisions:

A. Hillsdale Aero shall pay Hillsdale on the first day of each month beginning January 1, 2013 an amount equal to 45% of the gross rent that Hillsdale Aero charges for each hangar Hillsdale Aero has sublet to a third party. Hillsdale Aero shall provide Hillsdale with a true and complete copy of each rental agreement and each rental agreement release, termination, or discharge forthwith upon it being entered, released, or terminated; Provided, further that true and complete copies of all such rental agreements that have been executed prior to execution of this agreement and that remain in effect shall be forthwith provided to Hillsdale.

B. As to each hangar that Hillsdale Aero has not sublet to a third party, Hillsdale Aero shall pay Hillsdale on the first day of each month during the term of this lease and any renewals an amount equal to 30% of the then prevailing gross rent that would be charged if sublet.

C. Notwithstanding anything in this agreement to the contrary, Hillsdale shall have the right to retain and utilize not more than 2 hangars for its own purposes for which neither party shall have a payment obligation to the other.

D. All hangar rents as are paid to Hillsdale shall be credited against the rent due on this lease.

9. Hillsdale expressly and specifically reserves the right to and may, in its sole discretion, grant the right to operate for-profit and/or non-profit businesses other than and/or in addition to Hillsdale Aero on Hillsdale's airport premises upon a determination by Hillsdale, in its sole discretion, that a need or demand exists for the product and/or services to be offered by such for-profit and/or non-profit businesses and/or entities and that the for-profit and/or non-profit businesses and/or entities seeking such right have the necessary experience, ability, equipment, character and facilities to provide proper and acceptable levels of products and/or service to meet user service needs and demands. Hillsdale Aero acknowledges Hillsdale's authority in this regard and further acknowledges and understands that any business or businesses, persons and/or entities that Hillsdale authorizes to conduct upon its airport premises might or might not be identical or similar to the fixed operator business to be conducted by Hillsdale Aero pursuant to this agreement.

10. The administration building, the hangars and fuel farm that Hillsdale owns shall be repaired and maintained by the parties in accordance with the provisions and procedures contained in Article I. Management of Airport, Paragraph 11, of this agreement, which are incorporated herein by reference and shall survive in the event of early or other termination of Article I. Management of Airport of this agreement. Hillsdale Aero shall maintain all other facilities and equipment it utilizes in the operation of its fixed base operator business in good, safe and presentable condition (which for existing facilities and equipment shall be at least as good as the conditions in which they are now found).

11. Hillsdale Aero, with respect to those portions of Hillsdale's airport and the facilities thereon, which it utilizes in connection with its fixed base operator business under this agreement, shall:

A. Operate its fixed base operator business and all facilities associated therewith in a manner that is consistent with generally accepted good aeronautic practices including, but not limited to, those as might be or are recommended or required by the Michigan Department of Transportation, the Federal Aviation Administration or any other federal, state or local governmental unit, department or agency now or hereafter having jurisdiction or authority over airports and/or airport operations, as well as all applicable statutes, rules, regulations or other applicable law now or hereafter promulgated and/or adopted.

B Operate, hold open and provide the services contemplated by this agreement on every calendar date of the year during all daylight hours and at such other reasonable times as might be necessary to accommodate the service needs and interests of Hillsdale, users of said airport and its facilities and the general public, with the exception of Thanksgiving and Christmas on which dates said airport facilities shall be closed to users of the airport and its facilities, and the general public.

C. Provide such good, prompt and efficient service as is necessary and adequate to meet the reasonable service needs and demands of those utilizing the airport and its facilities on a fair, equal and non-discriminatory basis.

D. Charge fair, reasonable and non-discriminatory prices for each unit of sale or service provided. Nothing in this subparagraph shall prevent Hillsdale Aero from allowing such reasonable and non-discriminatory discounts, rebates or other similar price reductions as are legally allowable to volume purchasers and/or users.

12. Insurance and Indemnity. Hillsdale Aero shall also be responsible for and promptly pay when due, the following:

A. Hillsdale Aero shall carry, provide and pay the premiums for hangar keeper's liability insurance with such insurance carriers, coverage and limits of liability as Hillsdale determines necessary in which Hillsdale is named in the policy as an additional insured, which insurance shall be primary to any other insurance coverage that Hillsdale might have. Appropriate proof of such insurance shall be provided to Hillsdale.

B. Hillsdale Aero shall carry, provide and pay the premiums for public liability and property damage insurance with such insurance carriers and coverage as Hillsdale determines necessary and with limits of liability of not less than Five Hundred Thousand and 00/100 (\$500,000.00) Dollars, with Hillsdale designated therein as an additional named insured; and provide proof thereof to Hillsdale prior to the commencement of any work under this agreement and lease, which insurance shall be primary to any other insurance coverage that Hillsdale might have. Appropriate proof of such insurance shall be provided to Hillsdale.

C. Hillsdale Aero shall pay one-half of the premiums for pollution liability insurance obtained by Hillsdale and covering Hillsdale and Hillsdale Aero, Inc. as named insured, as provided in Paragraph 10E of Article I, Management of Airport of this agreement.

D. Hillsdale Aero shall carry, provide and pay the premiums for all workers compensation insurance coverage for its employees as is required by the laws of the State of Michigan and provide proof thereof to Hillsdale prior to the commencement of any work under this contract.

E. Hillsdale Aero further agrees to and shall defend, indemnify and hold Hillsdale harmless from any and all damages, claims, demands, causes of action, lawsuits, attorney fees and related expenses, as a result of actual or claimed personal injury, including death, property damage or other damage or loss of any kind or nature which are or are claimed to be a proximate result of the negligence, gross negligence or intentional acts or omissions of the Hillsdale Aero, its agents, servants and/or employees, or any other person, or which otherwise arise or are claimed to have arisen out of the use of any equipment or the performance of any work under this contract by or at the direction of Hillsdale Aero, its agents, servants and/or employees, or any other person,

whether or not such damages or injuries, including death, are caused in part by the negligence of Hillsdale, its employees, agents, servants, or representatives; provided, however, that Hillsdale Aero shall not be obligated to indemnify Hillsdale for any damages or injuries, including death, caused by or resulting from the sole negligence of Hillsdale.

F. Hillsdale Aero further agrees to indemnify, defend and hold Hillsdale harmless from any liability for any and all other claims, causes of action, lawsuits, tax claims, judgments, awards, appeals, and all legal or other expenses of whatever kind or nature as might result from and/or arise out of and/or are caused by the operation of Hillsdale Aero's fixed base operator business on Hillsdale's airport premises and/or the claimed and/or actual acts and/or omissions of Hillsdale Aero, its employees, agents, customers, patrons, members of the general public or others.

G. It is agreed and understood that all insurance and indemnity provisions of this agreement and lease shall survive termination.

13. Hillsdale Aero shall pay or cause to be paid any and all taxes, whether real, personal or mixed, which might be assessed insofar as its use, occupation and/or control of any and all of the facilities utilized by it in connection with its fixed base operator business, said taxes to be paid on a timely basis, when due, with proof of payment to be supplied to Hillsdale upon request.

14. It is further agreed and understood that Hillsdale Aero and/or Scheibner may at anytime, whether during or after termination of this agreement or any renewals, sell its or his interest in any hanger located on Hillsdale's airport premises to which it and/or he holds title to any third party, subject to Hillsdale's first right of refusal to purchase any such hangar or hangars, at the same price and terms as are being offered in a purchase agreement executed by Hillsdale Aero and/or Scheibner and a bona fide purchaser for value. Hillsdale shall have the right to exercise the first right of refusal in writing, within sixty (60) days of its receipt from Hillsdale Aero and/or Scheibner of written notice of the contemplated sale, together with a complete, legible copy of the executed purchase agreement, the names, addresses and telephone numbers of the proposed purchaser, the price and all other terms of the proposed sale. Hillsdale's failure to exercise said first right of refusal within the sixty (60) days of its receipt from Hillsdale Aero and/or Scheibner of written notice of said contemplated sale, together with a complete, legible copy of the executed purchase agreement, the names, addresses and telephone numbers of the proposed purchaser, the price and all other terms of the proposed sale shall be deemed a waiver of said first right of refusal.

15. It further agreed and understood that at any time during the term of this agreement or any renewal, Hillsdale Aero may sell its fixed base operator business on Hillsdale's airport premises to any person or entity, subject to and contingent on Hillsdale's determination, to its satisfaction and in its sole discretion, that the proposed purchaser is competent, knowledgeable, financially stable, properly licensed, of good repute, and otherwise qualified and acceptable to continue or establish a fixed base operator business on its airport premises. Provisions regarding this contingency shall be made a part of any contract for sale as a condition precedent to the sale.

Hillsdale Aero and the proposed purchaser shall forthwith provide Hillsdale with written notice of the contemplated sale, together with a complete, legible copy of the executed purchase agreement, financial statements, licenses and certificates, all documents and correspondence between Hillsdale Aero and the proposed purchaser related to the proposed sale, the names, addresses and telephone numbers of the proposed purchaser, and the price and terms of the proposed sale, and such other documents as Hillsdale might reasonably request.

Hillsdale shall have sixty (60) days from the date it receives a copy of the referenced documents to complete its review of the proposed sale and to satisfy itself as to the qualifications and acceptability of the proposed purchaser. Upon completing its review and determining the acceptability of the proposed purchaser, Hillsdale shall notify Hillsdale Aero and the proposed purchaser of its decision in writing; provided, however, that should Hillsdale fail or elect not to provide such a writing within the sixty (60) day period, it shall be deemed to be an acceptance of the proposed purchaser.

16. Hillsdale Aero shall have no authority to bind, commit or obligate Hillsdale to any payment, improvement, project, contract, undertaking, course of dealing, purchase or sale, whether involving real or personal property, and whether tangible or intangible; nor shall Hillsdale Aero or any of its directors, officers, employees or agents undertake to perform any action or make representation on behalf of Hillsdale or in its name except as specifically authorized herein or by other written instrument signed by Hillsdale's City Manager or such other person as its authorized by Hillsdale's Council.

III. Miscellaneous Provisions Applicable to All Parties

1. Hillsdale and Scheibner agree that all paragraphs of this Article III and the provisions they contain shall apply equally and in addition to the paragraphs and provisions contained in Articles I and II of this agreement:.

2. No person based on the grounds of race, color, religion, national origin, age, sex, marital status, height, weight, arrest record or handicap, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of any or all airport facilities.

3. Scheibner and Hillsdale Aero shall use the airport premises in compliance with all requirements imposed by or pursuant to "Title 40, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination and Federally Assisted Programs of the Department of Transportation, Effectuation of Title 6 of the Civil Rights Act of 1964, as amended."

4. Hillsdale specifically and expressly reserves the right to further develop, modify, change and/or improve the airport facilities, buildings, landing areas or other portions of its airport premises as it, in its sole discretion, deems appropriate from time to time. This reservation of right is acknowledged, recognized and consented to by Scheibner and Hillsdale Aero.

5. Scheibner specifically agrees that no part of this agreement or any interest herein may be assigned by Scheibner or Hillsdale Aero to any other person, firm, corporation or other entity without the prior written consent and approval of Hillsdale.

6. Scheibner and Hillsdale Aero shall each, at their sole expense, secure, provide and be solely responsible for the compensation and provision of all employee benefits for their respective employees, inclusive of, but not limited to, worker's compensation insurance coverage and benefits, with proof thereof being provided to Hillsdale, as well as any health insurance or other benefits of employment he or it shall provide to their respective employees.

7. Scheibner hereby irrevocably agrees to and does hereby guarantee Hillsdale Aero's performance of all its promises, covenants, obligations, and duties as fixed based operator during the term of this agreement and any renewals, and to hold Hillsdale harmless from any and all liabilities arising out or because of Hillsdale Aero's fixed base operation.

8. The parties expressly agree and understand that the parties may, by written agreement, provide for Scheibner or Hillsdale Aero to assume and discharge Hillsdale's responsibilities under paragraphs 12, 13, and 14 of Article I. Management of Airport at an hourly rate and on a billing cycle to be set forth therein, but otherwise to be subject to all of the term and conditions hereof as are applicable to Scheibner and Hillsdale Aero in the performance of their other respective obligations hereunder.

9. Notwithstanding any other provision of this agreement to the contrary, this agreement and lease shall immediately terminate as to Scheibner and Hillsdale Aero upon the occurrence of any of the following events or circumstances:

A. Hillsdale Aero or Scheibner becoming insolvent and/or committing an act of bankruptcy;

B. Hillsdale Aero or Scheibner being convicted of any felony;

C. Hillsdale Aero or Scheibner being convicted of any misdemeanor involving dishonesty or moral turpitude;

D. Scheibner or Hillsdale Aero failing to cure any breach of this agreement and lease, or their respective portion thereof, after receipt of written notice of said breach from Hillsdale as provided in this agreement;

E. Scheibner's resignation or removal from either of his current positions with Hillsdale Aero as Director and President;

F. Scheibner's responsibilities or authority within and on behalf of Hillsdale Aero and/or his ability to remain in charge of and responsible for all corporation activities, undertakings, obligations and operations of Hillsdale Aero as fixed base operator on Hillsdale's airport premises are restricted, reduced or eliminated.

G. Scheibner's resignation or termination as Hillsdale's airport manager;

10. Notwithstanding any other provision of this agreement to the contrary, any party may terminate this agreement with or without cause by delivering written notice of termination to each of the others stating a termination date that is not less than ninety (90) days after the date such notice is delivered, as follows:

A. To Hillsdale: Notice of termination to Hillsdale shall be delivered to the City Manager at Hillsdale City Hall, Office of City Manager, 97 N. Broad Street, Hillsdale, Michigan 49242.

B. To Scheibner: Notice of termination to Scheibner shall be delivered to Scheibner at Hillsdale City Airport, 3998 State Road, Hillsdale, Michigan 49242.

C. To Hillsdale Aero: Notice of Termination to Hillsdale Aero shall be delivered to James Scheibner, President, Hillsdale Aero, Inc., 3998 State Road, Hillsdale, Michigan 49242.

11. With the exception of the insurance and indemnity provisions, which shall survive termination, this agreement shall terminate as to all parties expiration of its term unless extended by renewal or otherwise, in writing.

12. Upon termination:

A. All rights, obligations, responsibility, and claims that any party might have under this agreement from and after the date of termination shall cease and be of no further force or effect, except as otherwise provided in this agreement;

B. Scheibner shall cease conducting any activities on Hillsdale's airport premises as airport manager, and shall forthwith vacate the airport premises and remove his personal property therefrom.

C. Hillsdale Aero shall cease conducting any activities on Hillsdale's airport premises as fixed base operator business, and forthwith vacate the airport premises, remove its personal property therefrom, and assign to Hillsdale all interest he might then have in any hangar that is owned, leased to, or otherwise controlled by Hillsdale.

D. Termination of this agreement shall serve to release each party from further obligation or responsibility to the other from and after the effective date of said termination; provided, however, that such termination shall not relieve either party from any obligation, responsibility, liability, claim or cause of action that might have accrued against them prior to the date of such termination.

13. All provisions of this agreement shall be strictly met and conformed to by Hillsdale, Scheibner and Hillsdale Aero and no amendment to this agreement shall be made except upon the written consent of the parties.

14. In the event that any provision or portion of this agreement shall be found to be invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or enforceability of any provision or portion of this agreement shall not affect the validity or enforceability of any other provision or portion of this agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this ____ day of October 2014.

CITY OF HILLSDALE

HILLSDALE AERO, INC.

By _____
Scott Sessions, Mayor

By _____
James Scheibner, Its President

By _____
Michelle Loren, Deputy Clerk

James Scheibner, as Airport Manager

James Scheibner, Individually
And as Guarantor

City of Hillsdale

Agenda Item Summary

Meeting Date: November 3, 2014

Agenda Item #10: New Business

SUBJECT: Resolution to Revoke IFT Certificate #2005-386, Foamade Industries

BACKGROUND PROVIDED BY Kimberly Thomas, Assessor

Council approved by resolution an application for an Industrial Facilities Tax (IFT) Exemption Certificate in 2005 to be issued to Foamade Industries for personal property to be installed at their facility at 260 Industrial Drive pursuant to [Act 198 of 1974](#). The Certificate was issued by the State Tax Commission as #2005-386 with an expiration date of December 30, 2017. Foamade Industries appears to have ceased operations at this location in 2009. According to a press release, at least a portion of the equipment was purchased by another company and relocated to the Grand Rapids area. According to state Corporate Entity records, it appears that Foamade Industries, Inc. dissolved in 2009.

The 2009 Industrial Facilities Taxes for this certificate were paid delinquent in July 2010. There are additional delinquent 2009 ad valorem personal property taxes for Foamade still outstanding.

Section 15(2) of Public Act 198 of 1974 (Michigan Compiled Laws Section 207.565) grants authority to the legislative body of a local unit of government to request revocation of a certificate issued under Act 198 of 1974 if “the purposes for which the certificate was issued are not being fulfilled as a result of a failure of the holder to proceed in good faith with the... operation of the... facility... in a manner consistent with the purposes of this act...” While Foamade Industries did sign an agreement with the city providing for bill back of the abated taxes, it is the opinion of the assessor that it would be impossible to collect those taxes due to the company no longer being in existence. Also, as the personal property in question has been removed from this facility and personal property is taxed based on its situs on tax day, revocation of the certificate will have no financial impact on either the city or the holder. Revocation is being requested only to close out the file and change the status of the certificate.

RECOMMENDATION:

It is the recommendation of the assessor that council pass the attached resolution requesting revocation of IFT certificate #2005-386.

Dlq. Personal Property Info For 006-900-077-50
Delinquent History by Tax Year

Year	Base Tax	Tax Due	Int/Fees	Total Due	Status	Last Paid
2009	8,986.28	8,986.28	5,902.30	14,888.58	DLQ	/ /
TOTALS:		8,986.28	5,902.30	14,888.58		

Resolution # _____
City of Hillsdale
Resolution to Revoke Industrial Facilities Exemption Certificate

Minutes of a regular meeting of the City Council of the City of Hillsdale, held on November 3, 2014, at City Hall Council Chambers, 97 North Broad Street, in Hillsdale, Michigan at 7:00 p.m.

Present: _____

Absent: _____

The following preamble and resolution were offered by _____

and supported by _____.

Resolution Revoking Industrial Facilities Exemption Certificate
#2005-386 for Foamade Industries

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., this Council for the City of Hillsdale by resolution approved an Industrial Facilities Exemption Certificate as requested by Foamade Industries for personal property located within their facility at 260 Industrial Drive, said Exemption Certificate set to expire December 30, 2017; and

WHEREAS, Foamade Industries ceased operations at that location, liquidated their assets and removed all equipment within the City of Hillsdale prior to December 31, 2010; and

WHEREAS, Foamade Industries did not pay the Industrial Facilities Tax due for 2009 until July 8, 2010 and still owes for delinquent 2009 ad valorem personal property taxes; and

WHEREAS, Section 15 of P.A. 198 of 1974, M.C.L. 207.565(2), provides that the local governmental unit may by resolution request the State Tax Commission to revoke a certificate if “the purposes for which the certificate was issued are not being fulfilled as a result of a failure of the holder to proceed in good faith;” and

WHEREAS, the City of Hillsdale finds the purposes for which the certificate was issued are not being fulfilled in compliance with P.A. 198, of 1974.

NOW, THEREFORE, BE IT RESOLVED BY that the Common Council of the City of Hillsdale, pursuant to P.A. 198 of 1974, M.C.L. 207.565, hereby does request the revocation of the Exemption Certificate #2005-386, as issued by the State Tax Commission, and approved by this Council, effective as of December 30, 2014.

Ayes

Nays

RESOLUTION DECLARED ADOPTED.

Date _____

Michelle Loren, Deputy City Clerk

Scott Sessions, Mayor

CITY MANAGER DIRECTIVE

14-01

- I. It is hereby the directive of the City Manager that the position of Public Safety Director is eliminated.
- II. The position of Police Chief and Fire Chief be established for the City of Hillsdale.
- III. As directed by Charter, Chapter 4, Section 4.3 that the Mayor hereby appoints Scott Hephner as Police Chief and Kevin Pauken as Fire Chief.
- IV. These appointments shall be permanent and considered salary at will employment until such time as either the employee or employer determines conclusion of employment due to retirement, health or performance.
- V. The City Manager shall set the salaries and associated benefits commensurate with responsibilities.
- VI. This directive is hereby made public and subject to City Council acknowledgement on this date Monday, November 3, 2014.

Douglas K. Terry
City Manager

Scott M. Sessions
Mayor

Michelle L. Loren
Deputy City Clerk

APPOINTMENTS

PLANNING COMMISSION

REAPPOINTMENTS:

Laura Smith: 3 year term ending November 2017

ZONING BOARD OF APPEALS

APPOINTMENTS:

Adam Stockford: 3 year term ending November 2017