

CITY COUNCIL MINUTES

City of Hillsdale
 Council Chambers
 December 4, 2017
 7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Adam Stockford opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Adam Stockford called the meeting to order.

Council Members present:	Adam Stockford, Mayor R. Gregory Stuchell, Ward 1 Brian Watkins, Ward 1 Timothy Dixon, Ward 2 William Morrissey, Ward 2 Bruce Sharp, Ward 3 William Zeiser, Ward 3 Matthew Bell, Ward 4 Raymond Briner, Ward 4
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Council Members absent:	None
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Also present were: City Manager David Mackie, City Clerk Stephen M. French, City Attorney John Lovinger, Scott Hephner (HCPD & HCFD), Mark Hawkins (HCFD), Jake Hammel (DPS), Chris McArthur (BPU), Alan Beeker (Zoning), Mary Hill (Library), Ginger Moore (Airport), Scott Curry (Airport), Ray Szarafinski (AAC), Corey Murray (Hillsdale Daily News), Erik Moore, Joseph Hendee, Peter Merritt, Dave Morris, Jason Walters, Alexis Kozub, George Allen, Charles Sharp, Brandon Thomas, Joseph Hendee, Ruth Brown, Michael Mitchell, Ted Jansen, Dennis Wainscott, Penny Swan, and Ray Szarafinski.

Approval of Agenda

Council Member Morrissey, seconded by Council Member Dixon, moved to approve the December 4, 2017 agenda as presented. By a voice vote, the motion carried unanimously.

Public Comment

Ms. Penny Swan, 192 South West Street, objected to the hangar purchase being placed on the agenda and argued public comment was not offered at the evening's Finance Committee meeting until after the committee members had finalized the action items on the agenda. Ms. Swan stated Mr. Walters had not fulfilled his contract as the airport manager and should not be provided with a profit on the sale of his hangar. Ms. Swan encouraged the City Council to simply take ownership of the hangar following the termination of the lease scheduled for October 2018.

Mr. Joseph Hendee, 181 Rea Street, argued the city could obtain ownership and control over the airport hangars after the lease had expired without having to compensate the current owners. Mr. Hendee noted the plans for a new airport terminal had not be funded and with the city's high poverty rate, the Council should direct public funding towards more prudent expenses. A copy of Mr. Hendee's written communication was filed with the City Council papers for the meeting.

Mr. Ted Jansen, Hillsdale Street, commended city staff for organizing the special Council Meeting on November 28, 2017 that discussed the new branding campaign. Mr. Jansen also discussed the national tax plan before Congress, which may decrease the funding received by the city for future infrastructure improvements.

Mr. Jack McLain, 1445 South Bunn Road, stated city staff had not complied with the Planning Commission by-laws by failing to publish the vacancy announcement in the Hillsdale Daily News. Mr. McLain also noted the City Council should review all committee applications received by city staff, not just the applications of those recommended for appointment. Mr. McLain argued the city's boards and commissions should be representative of the city's population.

Mr. Scott Curry, Assistant Manager of the Hillsdale Municipal Airport, discussed the current tenants at the airport hangars and voiced support for the recommendation for the city to purchase the hangars from their current owners.

Ms. Kay Freese, 8360 Grass Lake Road, objected to the appointment of Mr. Jansen to the Airport Advisory Committee (AAC) due to past allegations and civil actions filed by Mr. Jansen against the city. Ms. Freese also objected to the appointment of Penny Swan to the Zoning Board of Appeals (ZBA) due to comments made by Ms. Swan on social media that were critical of the City of Hillsdale and city employees.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of November 16, 2017: \$125,038.85
 - 2. BPU Claims of November 16, 2017: \$258,361.19
 - 3. Payroll of November 16, 2017: \$166,996.88
- B. City Council Minutes
 - 1. November 20, 2017 Regular Meeting
 - 2. November 28, 2017 Special Meeting
- C. BPU Board Minutes of October 10, 2017

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

Roll call:	Council Member Bell	Aye
	Council Member Briner	Aye
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stuchell	Aye
	Council Member Watkins	Aye
	Council Member Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 9-0.

Communications/Petitions

- A. Paul W. Smith "Pure Michigan" Tour 2018

City Manager Mackie reviewed the information received in regards to the Paul Smith Tour that would promote the Hillsdale area during a day-long stop on May 4, 2018. City Manager Mackie noted the costs associated with the event would be shared between Hillsdale College, Hillsdale Hospital, and the City of Hillsdale.

- B. Fall Leaf Collection Report

Council Member Bell, Council Member Sharp, and Mayor Stockford all commended Director Hammel and his crew for the excellent work on collecting leaves throughout the city.

DPS Director Hammel reported the department had completed its leaf collection program for 2017 and any leaves that remained could be deposited by residents at the compost site. Mr. Hammel noted that any leaves that remained in the roadway or on the terraces would need to be moved back onto private property until the spring clean-up began in 2018.

C. Airport Capital Improvement Plan (ACIP)

Mr. Nic Patterson, Senior Aviation Engineer with RS&H, provided a review of the airport's Capital Improvement Plan and detailed recent meetings between city representatives and the Michigan Department of Transportation's (MDOT) Office of Aeronautics concerning that plan. A map detailing the 2018-2024 projects was included in the overview.

Responding to a question from Council Member Stuchell, City Manager Mackie noted Council Member Watkins had requested the Power Point presentation entitled, "The Value and Importance of Your Community Airport" be included in the City Council packet for the meeting. City Manager Mackie stated the handout detailed the funding mechanisms for the airport and the importance of local aviation facilities.

Council Member Stuchell noted the many commercial airports that were located within 90 minutes of Hillsdale and the competition that existed between the city and those sites. Council Member Stuchell questioned if the city had an economic partner for the projects that would assist in the local-match dollars required for the proposed improvements. Council Member Stuchell also questioned if the airport had communicated with existing aviation businesses, such as the medical helicopter companies, to encourage their use of Hillsdale Airport. Council Member Stuchell opined the city had the infrastructure in place at the airport, but was not utilizing the existing infrastructure to its full potential. Council Member Stuchell noted a website regarding the airport included information that was dated and erroneous. Council Member Stuchell discussed the need for the city to fund many other needs including road repairs, fire truck replacement, and other utility improvements.

City Manager Mackie reported the website www.hillsdaleairport.com was owned by a private individual and not administered by the City of Hillsdale. City Manager Mackie assured Council that the information about the airport on the city's website had been updated with the correct contact information on a timely basis. City Manager Mackie also discussed the priorities that were included in the city's annual budget and the need to budget for all of the city's departments and not only specific projects or offices.

Council Member Stuchell questioned if the city had performed a feasibility study on the planned improvements to the airport to determine if continued improvements made to the airport were financially prudent during a time when the city had other infrastructure needs.

Council Member Bell questioned if public entities could change the ACIP based on available funding or due to a change in priorities by the governing body. Mr. Patterson responded that the ACIP could always be amended and did not require the managing entity to guarantee funding for projects that were planned in future years.

Responding to a question from Council Member Stuchell, City Manager Mackie noted the city continued to pursue funding partners for the airport improvements, including Hillsdale College and other private businesses. City Manager Mackie reported the city had sold over 10,000 gallons of aviation fuel in the past three months, which provided the airport with extra funding from the profits earned from those sales. Council Member Stuchell questioned if the city should first locate a funding partner for the airport improvements before engaging in the capital expansion plans for the facility. City Manager Mackie noted the city continued to budget the 5% local match funding to allow the planned improvements at the airport to continue.

Introduction and Adoption of Ordinance/Public Hearing

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

Unfinished Business

There were no unfinished business items on the meeting agenda.

Old Business

A. Updated 425 Agreement with Fayette Township

Mayor Stockford reported a conflict of interest on the issue, as his employer contracted with Meijer for certain personnel services. Mayor Stockford announced he would abstain from the discussion and vote on this issue. Due to this conflict, Mayor Pro-Tem Morrissey presided over the meeting during this agenda topic.

Mayor Pro Tem Morrissey reported two changes that had been made to the 425 Agreement with Fayette Township since the Council had provided initial approval at the November 20, 2017 meeting. Mayor Pro Tem Morrissey reported the changes were made to the definition of “developer”, in addition to a modification to the starting deadline for the project from 20 to 10 years.

City Manager Mackie reviewed the public hearing held by Fayette Township and noted the township board was unable to reach a consensus on the agreement during that meeting. City Manager Mackie stated the township was scheduled to discuss this matter at their next regularly scheduled meeting on December 11, 2017. City Manager Mackie noted city staff was in support of the proposed changes to the agreement as detailed by Mayor Pro Tem Morrissey.

Council Member Sharp reported he had also attended the public hearing at Fayette Township and voiced his continued support of the project. Council Member Sharp noted many unanswered questions would be addressed when the actual site plan was presented by Meijer.

Council Member Zeiser read a quote from a Fayette Township board member concerning the proposed 425 Agreement and potential Meijer project. Council Member Zeiser encouraged Fayette Township to vote on the issue at their next regular meeting and noted this issue had generated a lot of comments and interest from the general public.

City Manager Mackie noted the City of Hillsdale had shared information with Fayette Township when it was prudent, as the discussions with Meijer were often very sensitive. City Manager Mackie stated a planning committee comprised of representatives from Fayette Township and the City of Hillsdale would be created to review any site plans and address any issues with developments in the affected area.

Council Member Briner encouraged citizens to contact the representatives of Fayette Township in regards to this issue.

Council Member Bell noted the importance to respect other elected bodies and to allow them to discuss and determine their own will on these issues.

City Manager Mackie stated the questions and concerns raised about increased traffic on Taylor Road would be addressed after a site plan was received for the development and a traffic study could be performed for the site.

Council Member Watkins, seconded by Council Member Zeiser, moved to approve the updated 425 Agreement with Fayette Township as presented.

Roll call:	Council Member Bell	Aye
	Council Member Briner	Aye
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stuchell	Aye
	Council Member Watkins	Aye
	Council Member Zeiser	Aye

Mayor Stockford

Abstain

Motion passed 8-0.

B. Airport Hangar Appraisals and Purchase Agreements

City Manager Mackie discussed the ACIP plan for the Hillsdale Airport and the reasons associated with purchasing the privately owned hangars by the city. City Manager Mackie reviewed the recommendation by the Finance Committee to amend the proposed purchase agreements with JW Enterprises and Mr. Scott Riker. City Manager Mackie stated the changes would require a review of the first appraisal to take into consideration the existing lease agreement with the City of Hillsdale; and, extend the due diligence period to 60 days and the deadline for closing to 90 days.

Council Member Dixon added the Finance Committee had recommended the appraisal also include the determination of fair market value of the hangar, in lieu of past Council discussions about the first appraisal that based the value on construction costs.

Council Member Stuchell questioned the assertion that there were 4,356 square feet of finished area in Mr. Walter's hangar, based on the pictures that were included in the appraisal. Council Member Stuchell noted many of the pictures detailed unfinished construction including drywall, molding, and the like, while many questions remained regarding inspections and final approvals of the improvements made by Mr. Walters. Council Member Stuchell questioned the city's costs to finalize the construction improvements that would be necessary prior to any final approvals by local or state building officials.

City Manager Mackie reported the Hillsdale County Building Inspector had provided final approval of the hangar and reported the improvements made by Mr. Walters were in compliance with all building and construction codes. City Manager Mackie noted Mr. Walters was still removing some personnel effects from the hangar and some clean-up would be required after the sale was completed.

Council Member Stuchell noted the approval of improvements made to a commercial structure, such as an airport hangar, required a Professional Engineer (PE) stamp of approval, which was more than could be provided by the Hillsdale County Building Inspector. Council Member Stuchell voiced his objection to the hangar sales until MDOT had provided their approval of the improvements made by Mr. Walters. Council Member Stuchell also questioned assertions made by Mr. Hendee earlier in the meeting that the city would simply obtain ownership of the hangars after the leases expired in October 2018, without having to expend any public funds.

City Attorney Thompson reported the existing contracts do not permit the city to simply retain ownership of the hangars if the leases expired, but the hangars would remain the personal property of the hangar owners. Mr. Thompson also noted the 25-year lease was set to automatically renew in October 2018 for an additional five-year term, unless one of the parties notified the other that they wished to terminate the lease agreement. Mr. Thompson discussed the value of the hangar based on the lease agreement, which led him to recommend the initial appraisal be reviewed to take into consideration the fair market value of the structure.

City Manager Mackie reported the ACIP included the city's purchase of the privately owned hangars so that a new terminal and fueling center could be constructed on the site of those hangars. City Manager Mackie also reviewed the funding for the hangar purchases and the estimated credits that would be provided to the city following the airport apron construction project, as the apron project had been completed under budget.

Council Member Bell requested City Manager Mackie provide a report on the actual reimbursement funds received from MDOT regarding to the airport apron project at an upcoming Council meeting.

Council Member Stuchell requested written clarification that MDOT had provided approval to the city in regards to the improvements made by Mr. Walters in his hangar. Mr. Patterson noted MDOT would most likely not comment on the improvements made to the hangar, but concerned themselves with the overall use of the hangar for aeronautical purposes. Mr. Patterson stated that MDOT relied on local building officials to provide construction approvals for improvements made within the actual hangar structure.

City Manager Mackie reported MDOT had inspected the hangar, had made surprise inspections to the hangar, and were aware of the businesses operated within Mr. Walter's hangar, after they had received anonymous complaints about the modifications made to the hangar.

Council Member Stuchell questioned the funding sources that would be necessary to complete the improvements that had been initiated by Mr. Walters. City Manager Mackie stated that any improvements would be funded through the airport's annual budget.

Council Member Bell, seconded by Council Member Zeiser, moved to approve the amended airport purchase agreements with JW Enterprises and Mr. Scott Riker, as referenced in the Finance Committee's recommendations.

Roll call:	Council Member Bell	Aye
	Council Member Briner	Aye
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stuchell	No
	Council Member Watkins	Aye
	Council Member Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-1.

New Business

There was no New Business on the agenda.

Miscellaneous Reports

Mayor Stockford reported that he had requested to review all applications that were received by city staff for board or commission appointments. Mayor Stockford also noted that City Charter required all appointments to be confirmed by Council and appointments could not be made at the sole discretion of the mayor. Mayor Stockford noted the community involvement of Mr. Jansen and Ms. Swan and voiced concern at the personal viewpoints made by Ms. Freese regarding those appointments earlier in the meeting.

City Manager Mackie noted there was a question as to who was responsible for the appointments to the Tax Increment Financing Authority (TIFA). City Manager Mackie stated the issue would be reviewed by City Attorney Lovinger for clarification. Mr. Lovinger noted that regardless of nomination, any appointment to TIFA required approval by the entire Council.

- A. Re-appointments of Ms. Donna LoPresto, Ms. Jean Porter, and Ms. Juli Yoder to the Election Commission

Council Member Morrissey, seconded by Council Member Bell, moved to reappoint Ms. Donna LoPresto, Ms. Jean Porter, and Ms. Juli Yoder to the Election Commission.

Roll call:	Council Member Bell	Aye
	Council Member Briner	Aye
	Council Member Dixon	Aye
	Council Member Morrissey	Aye
	Council Member Sharp	Aye
	Council Member Stuchell	Aye
	Council Member Watkins	Aye
	Council Member Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 9-0.

B. Appointment of Mr. Eric Swisher to the Planning Commission

Council Member Morrissey, seconded by Council Member Watkins, moved to appoint Eric Swisher to the Planning Commission. By a voice vote, the motion passed.

C. Re-appointment of Mr. Ray Szarafinski to the Airport Advisory Committee (AAC)

Council Member Morrissey, seconded by Council Member Watkins, moved to reappoint Mr. Ray Szarafinski to the Airport Advisory Committee (AAC). By a voice vote, the motion passed unanimously.

D. Appointment of Mr. Ted Jansen to the Airport Advisory Committee (AAC)

Council Member Morrissey, seconded by Council Member Watkins, moved to appoint Mr. Ted Jansen to the Airport Advisory Committee. By a voice vote, the motion passed unanimously.

E. Appointment of Ms. Penny Swan to the Zoning Board of Appeals

Council Member Morrissey, seconded by Council Member Watkins, moved to appoint Ms. Penny Swan to the Zoning Board of Appeals. By a voice vote, the motion passed unanimously.

City Manager's Report

City Manager Mackie:

1. Commended everyone who was involved with the successful Hillsdale Business Association's "Light Up" Parade on Saturday, December 2, 2017.
2. Stated a follow-up meeting for the city's branding initiative would be held on January 10, 2018 at 6:00 p.m.
3. Announced the first meeting in January 2018 may be cancelled due to the holiday.
4. Publically congratulated retiring BPU Director Barber after 39 years of dedicated service to the utility.

General Public Comment

Ms. Alexis Kozub, 32 E. Carleton Avenue, voiced support for the construction of a new Meijer store in Hillsdale and stated that if the new store was built, residents with special needs could use Dial-a-Ride Transportation (DART) to travel to the store and purchase things they needed.

Mr. Jack McLain, 1445 S. Bunn Road, argued the City Council should have reviewed Mr. Jackson's application to the Planning Commission. Mr. McLain also questioned how many licensed airport managers there were in the State of Michigan and if one had to be licensed through the state to be an airport manager. Mr. McLain also questioned the rules of order for the planning committee that would be created if the 425 Agreement was approved with Fayette Township.

Mr. Joseph Hendee, 181 Rea Street, stated his earlier complaint regarding non-compliance of Mr. Walter's hangar at the airport had been directed to the state's Department of Licensing and Regulatory Affairs (LARA), and not the Michigan Department of Transportation (MDOT), as was indicated by Mr. Thompson earlier in the meeting.

Mr. Ted Jansen thanked Council for the appointment to the Airport Advisory Committee (AAC). Mr. Jansen also commended everyone who assisted with the "Light Up" Holiday Parade.

Council Comments

Council Member Sharp stated the selection of the proposed Meijer location was due to the proximity to M-99 and not due to the location being situated in Fayette Township, rather than the City of Hillsdale. Council Member Sharp also discussed the importance of purchasing a new ladder truck for the Fire Department, due to the poor condition of the current truck.

Council Member Zeiser commented on the airport hangar discussion and stated government should not be involved in the “taking” of private property. Council Member Zeiser stated the purchase of the hangars should be based on fair market value of the hangars and the purchase should not be considered a “bail-out” for either seller.

Council Member Morrissey questioned if the City Attorney should be present at Planning Commission or Zoning Board of Appeals meetings to provide legal guidance, if needed. City Attorney Lovinger noted that he or Attorney Thompson had attended previous Planning Commission or ZBA meetings at the request of city staff. City Attorney Lovinger noted that his office was also actively involved with staff to review items that were presented to either the Planning Commission or ZBA prior to committee consideration and approval.

Council Member Stuchell requested city staff present an update on the improvement project at the wastewater treatment plant at an upcoming Council meeting.


Adjournment

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

The meeting adjourned at 9:05 p.m.



Adam L. Stockford, Mayor



Stephen M. French, City Clerk