

CITY COUNCIL MINUTES

City of Hillsdale
 December 19, 2016
 7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Scott Sessions opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Scott Sessions called the meeting to order.

Council Members present:	Scott M. Sessions, Mayor Adam Stockford, Ward 1 Brian Watkins, Ward 1 Timothy Dixon, Ward 2 William Morrissey, Ward 2 Bruce Sharp, Ward 3 William Zeiser, Ward 3 Matthew Bell, Ward 4 Patrick Flannery, Ward 4
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Council Members absent:	None
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Also present were: City Manager David Mackie, City Clerk Stephen M. French, City Attorney John Lovinger, Bonnie Tew (Finance), Kay Freese (HR), Scott Hephner (HCPD/HCFD), Jake Hammel (DPS), Mike Barber (BPU), Chris McArthur (BPU), Corey Murray (Hillsdale Daily News), Jason Walters (Patriot Aviation), Joseph Hendee, Penny Swan, Ray Briner, Richard Wunsch, and Dennis Wainscott.

Approval of Agenda

Council Member Watkins, seconded by Council Member Flannery, moved to approve the December 19, 2016 agenda as presented. By a voice vote, the motion carried unanimously.

Public Comment

No public comments were offered.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of December 16, 2016: \$214,974.34
 - 2. BPU Claims of December 16, 2016: \$243,325.20
 - 2. Payroll of December 15, 2016: \$95,702.90
- B. City Council Minutes
 - 1. November 21, 2016 (Closed Session Only)
 - 2. December 5, 2016
- C. Board of Review Minutes – December 13, 2016
- D. EDC Minutes – October 20, 2016
- E. November 2016 Code Enforcement Report

Prior to a vote on the motion, City Attorney Lovinger reviewed the procedure for approving the Closed Session minutes from November 21, 2016.

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

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

Motion passed 9-0.

Communications/Petitions

There were no Communications/Petitions on the agenda.

Introduction and Adoption of Ordinance/Public Hearing

There were no Ordinances or Public Hearings on the agenda.

Unfinished Business

There was no Unfinished Business on the agenda.

Old Business

There was no Old Business on the agenda.

New Business

A. Board & Commission Meeting Schedules for 2017

The meeting schedule for the City Council and advisory boards/commissions was presented for approval. Mayor Sessions noted the January 2017 Council meetings would be held on the 2nd and 4th Mondays of the month, and the first meeting in September would be held on the first Tuesday of the month, due to the Labor Day holiday.

Council Member Bell, seconded by Council Member Flannery, moved to approve the Board & Commission Meeting Schedules for 2017 as presented.

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

Motion passed 9-0.

B. Approval of BPU Water Capital Improvement Plan

BPU Director Barber reviewed the 20-year Water Capital Improvement Plan that had been developed for planning purposes by the BPU staff. Mr. Barber stated the Michigan Department of Environmental Quality (MDEQ) required the utility to develop a 20-year plan following a recent survey.

Council Member Bell, seconded by Council Member Watkins, moved to approve the BPU Water Capital Improvement Plan as presented.

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

Motion passed 9-0.

C. Approval of BPU Lease Agreements with DMCI Broadband

BPU Director Barber stated DMCI Broadband had proposed a lease agreement to co-locate a wi-fi antenna on the South Street water-tower, as well as a repeater on a utility pole near Industrial Drive water-tower. Mr. Barber stated the agreement would provide the utility with \$1,400 per month in lease payments from DMCI.

Responding to a question from Council Member Bell, BPU Director Barber stated the lease payments were comparable to revenues received by other municipalities for the same service.

Council Member Morrissey, seconded by Council Member Zeiser, moved to approve the BPU Lease Agreements with DMCI Broadband as presented.

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

Motion passed 9-0.

D. Approval of Electronic Payment Service Agreement – Point & Pay, LLC

Finance Director Tew presented a recommendation from city staff to approve a service agreement with Point & Pay, LLC, which would allow the city to accept credit and debit card payments for city services, taxes, permits, and products. Ms. Tew reviewed the 2% service charge and convenience fees that were associated with the program and noted the Point & Pay system provided all of the necessary hardware equipment at no charge to the city. Ms. Tew stated the new system would also allow customers to pay with a credit card at City Hall and at the BPU offices.

Ms. Tew stated the Point & Pay system would fully integrate with the new BS&A software package at the BPU and would automatically post payments to the individual account without staff having to manually enter the information. Ms. Tew stated the new Point & Pay system would replace the

credit card system currently in use at BPU.

Council Member Stockford questioned if the Point & Pay system was only the credit card payment system that fully integrated with the BS&A Software. Finance Director Tew stated the Point & Pay was not the only system that worked with BS&A Software, but it had come recommended from other municipalities in Michigan. Council Member Stockford voiced concern at high costs of the convenience fees that would be assessed against the customer.

City Clerk French stated the other providers of this service required the city to pay up-front costs and to purchase the individual credit card machines.

Council Member Bell also voiced concern at the high service charge percentage and questioned if another vendor could provide this service at a lower rate. Council Member Bell stated BPU customers could currently pay their utility bill with a credit card over the Internet without incurring a service fee.

City Manager Mackie noted the Point & Pay system would allow the entire city government to accept credit card payments, including charges for permits, inspections, taxes, fines, park reservations, and others.

Council Member Watkins noted other cities in Michigan, including Marquette, utilized payments by credit card for services like park reservations and tax payments. Council Member Watkins voiced support for a flat, per-transaction fee and not a convenience fee based on the percentage of the payment.

Council Member Sharp objected to the convenience fees associated with the Point & Pay system.

City Manager Mackie stated city staff could look into other options and provide that information at a future Finance Committee meeting.

Council Member Flannery noted that other types of payments, such as an electronic fund transfer, did not require the inclusion of a service fee. Council Member Flannery questioned the personnel costs associated with manually accepting and entering a cash or check payments. Council Member Flannery also indicated the payment of taxes in the State of Michigan could not be discounted to absorb the cost of a credit card transaction; that is, if a residents wanted to pay a \$1,000 tax bill with a credit card, any cost of the transaction to the city must be assumed by the taxpayer, so that in the end, the city had a \$1,000 net payment. Council Member Flannery also objected to an established flat-fee charge for a credit card payment, as customers with larger bills would be paying some of the banking fees assessed to customers with higher balances, who were responsible to pay the same rate.

Council Member Dixon stated the City of Jonesville was using the Point and Pay system. Council Member Dixon also indicated the use of a credit card was an alternative for city customers and if the customer did not want to pay the service fees, they could pay by other means. Council Member Dixon stated private merchants pay 2-3% on all credit card receipts, which was similar to the proposal recommended by city staff.

Council Member Bell objected to a potential change that would charge BPU customers a service fee, when current customers could pay their statements via credit card without a service fee.

Council Member Zeiser discussed the costs to the BPU if customers changed their payment method to a manual check or cash payment, if service charges were added to payments via credit card.

Council Member Watkins, seconded by Council Member Stockford, moved to table discussion of this item until future information could be presented to the Finance Committee. By a voice vote, the motion passed.

Miscellaneous

A. Board & Committee Appointments

Council Member Watkins, seconded by Council Member Flannery, moved to approve the following appointments:

- A. Board of Review
 - 1. David M. Cheramie (New Appointment)
 - 2. Richard Cutis (New Appointment)
 - 3. Donna Mackay (New Appointment)
- B. Cemetery Board
 - 1. Mr. Carl "Bud" Heinowski (Re-Appointment)

By a voice vote, the motion carried unanimously.

City Manager's Report

City Manager Mackie reported:

- 1. A number of vacancies remained on various boards & commissions and interested city residents were encouraged to contact the City Clerk's Office for applications or additional information.
- 2. The sale of 221 Industrial Drive had been completed and the new owner was planning to renovate the building for industrial use
- 3. The fiscal audit was nearing completion and would be presented to the BPU Board on January 10, 2017 and to the City Council on January 23, 2017.
- 4. The City was planning to resubmit an MEDC grant in March 2017 for the Garden-Mead-Vine Project. City Manager Mackie stated the engineering plans had been completed, which would benefit the city during the application process.
- 5. The next F.A.I.R. Committee meeting would be held on January 16, 2017 at 6:00 p.m. in the City Council Chambers.
- 6. Kevin Pauken, Deputy Fire Chief, and a 37-year employee of the City, would retire on December 29, 2016.
- 7. The City was working with AT&T for the placement of a new cellular tower to improve reception in the area.

Council Member Bell asked for a report on the detailed expenditures of the current year regarding the funds ear-marked for road improvements.

Council Member Flannery asked for an agenda of the upcoming budget process for FY2018.

General Public Comment

Mr. Richard Waunch, 98 ½ North Broad, asked the city to post public notices for all board and committee meetings, not just those meetings that required notice through the Open Meetings Act (OMA).

Mr. Dennis Wainscott, 34 Garden Street, discussed the service charges associated with credit card payments.

Mr. Jack McLain, 1445 South Bunn Road, objected to the variance granted by the Zoning Board of Appeals (ZBA) at a recent meeting regarding a new housing development near Hillsdale College. Mr. McLain also questioned if the large, address sign on 42 Union Street met the city's Zoning Ordinance requirements.

Ms. Penny Swan, Ward 4, also voiced concern regarding the ZBA ruling.

Council Comments

Council Member Sharp questioned City Clerk French if all board and committee meeting notices were posted on-line and at City Hall. City Clerk French responded that all board and committee meeting notices were publically posted.

Council Member Bell wished everyone a Merry Christmas.

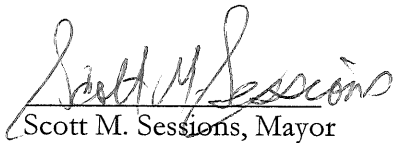
Council Member Stockford welcomed Corey Murray from the Dayton Daily News, and noted Mr. Murry had been named as the new city reporter.

Mayor Sessions congratulated Kevin Pauken on his upcoming retirement and wished everyone a Merry Christmas.

Adjournment

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

The meeting adjourned at 7:57 p.m.



Scott M. Sessions, Mayor

Stephen M. French, City Clerk