

CITY COUNCIL MINUTES

City of Hillsdale
 Council Chambers
 January 15, 2018
 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 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:	Brian Watkins, Ward 1 Timothy Dixon, Ward 2
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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), Scott Kieser (BPU), Alan Beeker (Zoning), Mary Hill (Library), Donna Hecht (Condon, Hecht, Bisher, Wade & Co.), Corey Murray (Hillsdale Daily News), Ted Jansen, Joseph Hende, Sheri Lemke, and Penny Swan.

Council Member Excused

Mayor Stockford reported Council Member Dixon and Council Member Watkins would not be able to attend the meeting due to work obligations.

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

Approval of Agenda

The January 15, 2018 agenda was approved as presented by a unanimous voice vote.

Public Comment

Ms. Penny Swan, 192 South West Street, voiced support for the appointment of Council Member Stuchell to the Tax Increment Financing Authority (TIFA).

Mr. Ted Jansen, 104 Hillsdale Street, also voiced support for the appointment of Council Member Stuchell to TIFA. Mr. Jansen encouraged Council to remove the wording "City of..." from the branding logo, which would just leave "Hillsdale, Michigan" in the logo.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims
 - a. December 14, 2017: \$93,391.93
 - b. December 29, 2017: \$124,281.97
 - 2. BPU Claims
 - a. December 14, 2017: \$249,404.19
 - b. December 29, 2017: \$134,299.95
 - 3. Payroll of:
 - a. December 14, 2017: \$159,276.35
 - b. December 28, 2017: \$164,218.37
 - c. January 11, 2018: \$176,883.76
- B. City Council Minutes of December 18, 2017 Regular Meeting
- C. Finance Committee Meeting Minutes of January 3, 2018
- D. BPU Minutes of December 12, 2017
- E. 2017 Year-End Code Enforcement Report
- F. December 2017 Financial Reports

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

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

Motion passed 7-0.

Communications/Petitions

A. FY2017 Audit Presentation

Ms. Donna Hecht of Condon, Hecht, Bisher, Wade & Co., presented the “Financial Statements and Independent Auditor’s Report for Year Ended June 20, 2017.” Ms. Hecht noted the city’s General Fund ended with revenues exceeding expenditures by \$182,000 in FY2017, which raised the city’s fund balance to \$1,097,000.00, or nearly 25% of the fund’s annual expenses. Ms. Hecht also noted the city’s net pension liability was reduced by \$500,000 during the fiscal year. Ms. Hecht thanked city staff for their assistance with the completion of the audit.

Responding to a question from Council Member Bell, Ms. Hecht reviewed the two audit findings that were included in the FY2017 report. Ms. Hecht noted the 2017-01 finding (“Financial Statement Preparation”) was a routine finding for many cities, as most entities required outside assistance to complete the financial audits of their funds. Ms. Hecht reviewed the 2017-02 finding (“Utility Funds – Material Audit Adjustments”) and the adjustments that were required at the BPU following the software update that had been completed in 2017.

B. Public Act 202 of 2017 Pension Report

City Manager Mackie stated the report was required by the State of Michigan to be presented to Council and to be available for public inspection. City Manager Mackie stated the city’s pension had a fund ratio of 79.3%.

C. Wastewater Treatment Plan (WWTP) System Improvements Project Costs Update

BPU Interim Director McArthur reviewed the cost updates for the wastewater treatment plant, including the additional charges that were necessary for unplanned improvements to the anaerobic digester. City Manager Mackie briefly reviewed the nearly \$9.0 million project and summarized the repairs that were necessary to the digester that had been discovered within the past few months.

Responding to a question from Council Member Bell, BPU Director McArthur reported the completion date of the project remained September 2018. City Manager Mackie noted the overage charges for the digester repairs would be most likely be paid using an inter-departmental loan between the Electrical and the Sewer Departments.

Introduction and Adoption of Ordinance/Public Hearing

A. Public Hearing - Fire Department Capital Funding Options

Mayor Stockford opened a public hearing at 7:30 p.m. to receive public comments on funding options to purchase equipment and other capital needs for the fire department.

Mr. Ted Jansen, 104 Hillsdale Street, discussed various funding options that included dedicating the annual cable television franchise fees towards fire department purchases, entering into another loan agreement with the Cemetery Board for the purchase of a new vehicle, or requesting a tax millage increase to the voters at an upcoming city-wide election. Mr. Jansen encouraged Council to submit a tax millage increase to the voters, as the other options would require Council to reduce expenses in other budget line-items to offset the fire department allocation.

Ms. Penny Swan, 192 South West Street, encouraged the City Council to submit a tax millage increase to the voters to fund the purchase of necessary equipment for the Fire Department.

There being no further public comments, Mayor Stockford closed the public hearing at 7:32 p.m.

Council Member Bell objected to an additional tax increase request, as Council had recently increased taxes by 3-mils to create the sinking fund for road improvements.

Council Member Sharp recommended the Council not alter the 3-mil levy for the sinking fund. Council Member Sharp encouraged the Council to receive public input on the funding options, which may include a tax increase question in an upcoming election.

Council Member Stuchell noted the Council should have multiple funding options, including alternatives in place if the public were to vote against a special millage for fire department purchases.

City Manager Mackie noted funds were placed in the capital fund each year for on-going needs of the Fire Department. City Manager Mackie stated the fund had a current fund balance of approximately \$40,000. City Manager Mackie also noted a 1-mill tax levy would raise nearly \$120,000 per year, using the city's current tax base.

Unfinished Business

A. Ladder Truck Purchase – Verbal Update

Chief Hephner reported the city had conducted a nationwide search for a quality, used ladder truck for the fire department that could provide up to 10 years of reliable service to the department. Chief Hephner stated a truck was located in Alabama; however, after city had inspected the vehicle, it was decided not to purchase the truck due to some mechanic issues that were discovered. Chief Hephner stated staff would travel to Houston, Texas in the upcoming weeks to look at two other ladder trucks that were available for purchase.

Chief Hephner also reported the parts for the new vehicle exhaust system had been ordered by the manufacturer and the project was scheduled to be completed in March or April 2018.

B. Garden/Vine/Mead/Rippon Project – Verbal Update

DPS Director Hammel reported the deadline for bids on the project were due February 12, 2017 and a recommendation letter would be presented to Council on February 19, 2018. Mr. Hammel noted the project could begin as early as April 2018 and would have a substantial completion date of October 15, 2018.

C. Airport Hangar Purchase Update – Verbal Update

City Manager Mackie reported the contract had been submitted to the State of Michigan to receive nearly \$90,000 for the hangar purchase reimbursements. City Manager Mackie noted the second appraisal was not necessary for the purchase agreement, as had been discussed at a recent Council meeting. City Manager Mackie also reported the hangar owned by JW Enterprises had been cleared and all personal equipment had been removed from the building. City Manager Mackie announced the city had met with a number of local business owners who expressed an interest in building new hangars at the airport.

D. City Branding

Mayor Stockford reported the Council had met with Mr. Ben Muldrow from Arnett Muldrow & Associates on Tuesday, January 8, 2018 to refine the branding options that had been presented to Council. Mayor Stockford reported the following four items had been discussed:

1. Color Palette: The primary color used would be blue from the city entrance signs, in addition to green that was used within the city seal
2. Uniform typeface: The primary and secondary typefaces were discussed
3. Consistent Message: The goal of a single tagline
4. Graphics: The idea of a second logo was eliminated in favor of utilizing the existing city seal.

City Manager Mackie stated a Facebook poll could be used to gauge city interest on the seven options that had been provided by Mr. Muldrow.

Council Member Morrissey noted the Council had determined at the January 8th meeting to amend one of the taglines to read, “Honor the Past. Embrace the Future” instead of “Cultivate the Past. Embrace the Future.”

Council Member Sharp, seconded by Council Member Briner, moved to use a Facebook poll, as well as assistance from the Hillsdale Daily News, to select a city tagline from the following three choices:

1. “Classic. Creative. Community”
2. “Family. Tradition. Opportunity”
3. “Small Town Feel. Lasting Impact”

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

Motion passed 7-0.

Old Business

There were no Old Business items on the meeting agenda.

New Business

A. Purchase of vehicles for the Department of Public Services (DPS)

DPS Director Hammel reviewed a staff recommendation to purchase two (2) new 5-7 yard dump/plow trucks to be used for snow removal, general maintenance, leaf collection, and material hauling. Mr. Hammel noted one truck had been included in the FY2018 budget; however, an additional truck was necessary due to the poor condition of another truck. Mr. Hammel stated one truck would be purchased through the Capital Improvement fund (CIF), while the second would be purchased through the Revolving Mobile Equipment (RMEF) Fund. Mr. Hammel stated the estimated cost for each truck would be \$145,000 and staff would continue to pursue a grant opportunity through the Environmental Protection Agency (EPA) and Department of Environmental Quality (DEQ) which could offset 25% (or \$72,500) of the purchase price.

Mr. Hammel also requested approval for the purchase of a one-ton, four wheel drive, pickup truck equipped with a front mount snow plow, which would be used for snow removal, mowing crews, patch crews, downtown flower watering and maintenance/beautification activities. Mr. Hammel reported the estimated cost of this truck was \$37,000 and would be paid with RMEF funds.

Council engaged in general discussion regarding the importance of maintaining city equipment to maximize the life-expectancy of capital purchases.

Council Member Sharp, seconded by Council Member Briner, moved to approve the purchase of two (2) new 5-7 yard dump/plow trucks at a cost of \$145,000 each; and, a one-ton, four wheel drive, pick-up at an estimated cost of \$37,000.

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

Motion passed 7-0.

B. Resolution 3329: Application for Annual ROW Permit from MDOT

Mayor Stockford presented a resolution which was required by the Michigan Department of Transportation for purposes of issuing individual permits to use its M-99 rights-of-way within the city boundaries.

Council Member Bell, seconded by Council Member Morrissey, moved to adopt Resolution 3329: Application for Annual ROW Permit from MDOT.

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

Motion passed 7-0.

C. Resolution 3330: Appointment of Commissioner and Alternate to the Michigan South Central Power Agency (MSCPA)

City Manager Mackie provided information on a staff and BPU Board recommendation to adopt a resolution to appoint City Manager Mackie as the new commissioner and BPU Interim Director Chris McArthur as the alternate representative to the MSCPA.

Council Member Bell, seconded by Council Member Morrissey, moved to adopt Resolution 3330: Appointment of Commissioner and Alternate to the MSCPA.

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

Motion passed 7-0.

D. Information Technology (IT) Equipment and Services

City Manager Mackie reviewed a staff recommendation to purchase a new network server, related equipment, software and installation from Sonit Systems for an estimated amount of \$61,463.00, with network administrative services at an approximate cost of \$3,640 per month. City Manager Mackie stated the total costs would be split equally between the City, BPU and Library and would reduce system duplication, provide reliable file backup, include a strong security protocol, maintain system control, and reduce expenses.

Mr. Doug Nofziger, representing Sonit Systems, provided additional information on the staff recommendation and detailed the equipment recommended for purchase and installation for the city offices.

Council Member Bell requested additional information on equipment specifications and prices that were included in the bid package. Mr. Nofziger reviewed some general information, but noted more detailed comparisons would require specific model or part numbers.

City Manager Mackie indicated city staff had secured a competing bid from Doberman Technologies and had also reviewed the bid from Sonit Systems with Mr. David Holcomb, the IT Director for Hillsdale County. City Manager Mackie discussed the time sensitivity of the purchase and installation due to the increasing numbers of failures of the city's servers.

Council Member Bell voiced concern at the fact that additional quotes were not received for the purchases and due to the lower costs of hardware equipment prices that he had researched on-line.

Council Member Morrissey, seconded by Council Member Briner, moved to approve the purchase of a new network server, related equipment, software, and installation from Sonit Systems for an amount not to exceed \$25,000.00 for the city's General Fund, in addition to the pro-rated share of monthly network administrative services.

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

Motion passed 6-1.

E. Meijer Development Agreement

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.

City Manager Mackie reviewed the proposed agreement for the new Meijer development on M-99 that would require the construction of a new water main at an estimated cost of \$600,000. City Manager Mackie stated the agreement would allow the Meijer Corporation to be reimbursed through the any fees for future connections to the water main, in exchange for the design and construction of a new 12" water main.

Council Member Bell, seconded by Council Member Sharp, moved to approve a "Development Agreement for Extension of Water Main" with the Meijer Corporation.

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

Motion passed 6-0.

F. Council Goals 2018

This item was removed from the agenda and placed on the agenda for February 5, 2018.

Miscellaneous Reports

A. Re-appointments/Appointments to the Tax Increment Financing Authority (TIFA)

1. Kathy Newell (Re-appointment)
2. Robert L. Socha (Re-appointment)
3. John Spiteri (Re-appointment)
4. Greg Stuchell (Appointment)

Council Member Zeiser, seconded by Council Member Morrissey, moved to reappoint Kathy Newell, Robert L. Socha, John Spiteri; and, appoint Greg Stuchell, to TIFA. By a voice vote, the motion carried unanimously.

General Public Comment

Mr. Ted Jansen questioned if the city should have multiple tag-lines for different marketing efforts. Mr. Jansen also noted there was no decision made on the fire department funding and requested Council hold a work session to determine how future capital purchases would be made for the department.

Mr. Joseph Hendee, 181 Rea Street, questioned why the audit was not included in the Council packet for the meeting. Mr. Hendee also reported he had done research on assessments of city properties and noted there were inconsistencies with some of the parcels.

Ms. Penny Swan also questioned if the audit was available for public review. Ms. Swan relayed a concern from Mr. Dennis Wainscott who questioned why the roads had not been plowed up to the curb line.

Council Comments

Council Member Briner noted the audit was available on the city's website.

Council Member Zeiser discussed the many positive improvements that were being made throughout the City of Hillsdale that included Council Member's involvement with boards & commissions, the new Meijer development, the improvements to the city's financial status according to the FY2017 audit, the road improvements scheduled for Spring 2018, and the increased participation in civic events.

Responding to a question from Council Member Zeiser, DPS Director Hammel discussed snow clearing processes and the issues that prevented the department from clearing snow all the way to the curb. Mr. Hammel encouraged city residents to remove their vehicles from the roadway, when possible, so that roads could be completely cleared of snow.

Council Member Stuchell encouraged Council to hold work sessions to establish priorities and goals and to discuss topics that required information to be presented in greater detail.

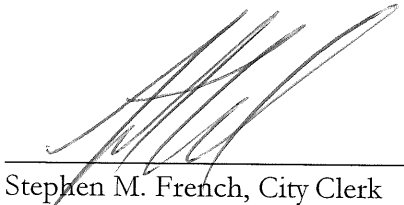
Adjournment

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

The meeting adjourned at 9:18 p.m.



Adam L. Stockford, Mayor



Stephen M. French, City Clerk