

CITY COUNCIL MINUTES

City of Hillsdale
Council Chambers
June 18, 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 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), Chris McArthur (BPU), Jake Hammel (DPS), Bonnie Tew (Finance), Kay Freese (HR), Pete Merritt (Treasurer), David Halcomb (Hillsdale County), Corey Murray (Hillsdale Daily News), Dennis Wainscott, Kristy Fraga, Penny Swan, and Patrick Baughman.

Approval of Agenda

Council Member Morrissey, seconded by Council Member Dixon, moved to approve the June 18, 2018 agenda as submitted. By a voice vote, the motion passed unanimously.

Public Comment

Mr. Dennis Wainscott, 34 Garden Street, objected to the proposed BPU rate increases and stated the cost increases would negatively impact many people in the service area who were on fixed incomes or lived in poverty.

Ms. Penny Swan, 191 North West Street, also objected to the proposed increases to the water and wastewater rates. Ms. Swan questioned why budget amendments were necessary after the budget had been approved only two weeks prior. Ms. Swan also requested the materials for the Finance Committee meeting be made available to the public prior to the meeting.

Consent Agenda

- A. Approval of Bills
 - 1. City Claims of June 1, 2018: \$123,666.51
 - 2. BPU Claims of June 1, 2018: \$142,247.74
 - 3. Sewer Fund Claims of June 1, 2018: \$218,088.33
 - 4. Payroll of:
 - a. May 31, 2018: \$161,563.24
 - b. June 14, 2018: \$172,996.60

- B. City Council Minutes
 - 1. June 4, 2018 Regular Meeting
 - 2. August 11, 2015 Special Meeting
- C. May 2018 Financial Reports
- D. Operations & Governance Committee Minutes of April 24, 2018
- E. Finance Committee Minutes
 - 1. May 7, 2018
 - 2. May 21, 2018
 - 3. June 4, 2018

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

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

Communications/Petitions

- A. Assignment of Lease: AT&T Cell Tower

The communication was received for informational purposes only.

- B. MERS Valuation

The communication was received for informational purposes only.

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. Banking Resolutions
 - 1. Resolution 3339: County National Bank 1
 - 2. Resolution 3340: County National Bank 2
 - 3. Resolution 3341: County National Bank 3
 - 4. Resolution 3342: SMB&T 1
 - 5. Resolution 3343: SMB&T 2

Finance Director Tew reported the City held deposit accounts at Southern Michigan Bank & Trust, while the accounts for the Board of Public Utilities utilized County National Bank. Ms. Tew noted that all of the accounts required updated resolutions due to the election of the new Mayor, as well as the appointment of the new City Treasurer. Ms. Tew also indicated the resolutions for County National Bank would be updated with the city’s employer tax identification (EIN) number that would replace the number that was previously used by BPU for their payroll processing. Ms. Tew stated the resolutions would also create four, new accounts for the Sewage Disposal System Revenue Bonds, Series 2015 & Series 2016 ordinances.

Council Member Bell, seconded by Council Member Dixon, moved to adopt Resolutions 3339-3343 as presented.

Roll call:	Council Member Bell	Aye
	Council Member Briner	Abstain
	Council Member Dixon	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 3344: ICMA-RC Administrative Services Agreement

HR Director Freese reported the proposed ICRM services agreement and resolution were necessary due to the changes made to the City Manager’s contract at the May 21, 2018 Council meeting.

Council Member Morrissey, seconded by Council Member Dixon, moved to adopt Resolutions 3344 “Adoption of ICMA-RC 401 (a) Money Purchase Plan Number 109803.”

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

C. Consideration of the Water and Wastewater Fund rate study

BPU Director McArthur presented a report from Plante Moran, which recommended rate increase of \$0.38 per 1,000 gallons in water rates; and, \$0.59 per 1,000 gallons in sewer rates, effective July 1, 2018. Mr. McArthur stated the rate increases were necessary due to the increased capital costs included in the water and sewer department budgets for main repair and replacements. Mr. McArthur stated the utility had also experienced a decline in water usage and sales which also factored in the rate increase recommendation. Mr. McArthur discussed the importance of proactively replacing the water and sewer lines before major breaks occurred.

City Manager Mackie referenced a spreadsheet that provided a comparison of water rates to other utilities in the area. City Manager Mackie stated the BPU rates were comparable with the other utilities in the area and the average residential customer would see an increase of approximately \$2.91 per month.

Council Member Stuchell questioned if the increased rates could be limited to only new customers, which would allow the existing customers to be covered under the current rate structure. City Attorney Lovinger stated this was not permitted.

Responding to a question from Council Member Sharp, Director McArthur reported wastewater charges were calculated based on water usage. Mr. McArthur stated customers who water their lawns or irrigated their property for other uses, could contact the BPU to obtain a special water meter, which could reduce their wastewater charges.

Director McArthur stated water usage has generally decreased and was due to a variety of circumstances, including weather, number of customers, and programs that promoted water conservation.

Council Member Dixon, seconded by Council Member Stuchell, moved to approve the water and wastewater rates increases as recommended.

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

D. Purchase of capacitor controls and NR oil filled switches from Eaton Cooper

Director McArthur presented a staff recommendation to purchase switches for replacement and modernization of the capacitor bank controls. Mr. McArthur stated the staff had recommended to purchase the controls from the Eaton Cooper Power Systems company, as the company provided support for the existing AMI system and other regulator and re-closer controls.

Council Member Bell, seconded by Council Member Dixon, moved to approve the purchase of five (5) cbc8000 capacitor controls with Ethernet kit and control cables at a cost of \$9,091.05; and, twelve (12) new NR oil filled switches at a cost of \$9,157.92 from Eaton Cooper Power Systems.

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

E. Digester roof replacement at the Waste Water Treatment Plant

Director McArthur presented a staff recommendation to approve a contract to replace the digester roof at the Waste Water Treatment Plant. Mr. McArthur stated the project had initially been removed from the treatment plant project in an effort to reduce the overall cost of the project; however, the roof was in need of replacement due to its age and current condition. Mr. McArthur stated BPU staff requested bids for the roof replacement in May 2018 and four contractors were invited to bid. Mr. McArthur reported staff had received only one bid, which was from Braman Roofing in the amount of \$61,440.00. Mr. McArthur stated the bid included a recommendation to add the installation of new access hatches on the roof.

Council Member Stuchell questioned why the bid in the original wastewater treatment plant contract was over \$151,000 while the current bid was only one-third of that amount. Mr. McArthur stated the original contract included a prevailing wage requirement, which was not required in the current bid. Council Member Stuchell noted his on-going concerns with the cost over-runs and change orders at the Waste Water Treatment Plant and questioned how the city could relay these concerns to other communities that may consider utilizing the engineering and construction firms for future projects.

Council Member Briner, seconded by Council Member Morrissey, moved to approve a contract with Braman Roofing to replace the digester roof at the Waste Water Treatment Plant in the amount of \$61,440.00.

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

F. Purchase of a new telephone system

City Manager Mackie presented a staff recommendation to approve the allocation of approximately \$34,000 for the purchase of a new, voice-over Internet telephone system for all city offices, including the BPU and library buildings. City Manager Mackie stated the project would be a joint partnership with Hillsdale County and would allow a cost effective solution that would include monthly service savings to both entities. City Manager Mackie noted the city would contribute 55% of the city's costs to the project, the BPU would provide 35%, and the library would pay 10%.

Mr. David Holcomb from Hillsdale County provided additional information on the project. Mr. Holcomb noted the new system would allow voice calls and call transferring between the City of Hillsdale and Hillsdale County without utilizing outside lines. Mr. Holcomb stated the targeted completion date of the new system was set for July 31, 2018.

Council Member Bell, seconded by Mayor Stockford, moved to approve the purchase of a new, voice-over Internet telephone system for all city offices at the approximately cost of \$34,000.

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

G. Amendments to TIFA Rules of Procedure

Mayor Stockford reviewed the amended rules of procedure that would provide clarification of the board's membership and give guidance to the Mayor and Council for making appointments to the board. Mayor Stockford also reported the amended rules would include the recent Council decision to appoint a Council Member to the TIFA Board.

Council Member Bell requested clarification on a number ex-officio members that were referenced in the document. Council Member Bell questioned if both the Mayor **and** City Manager could be members, or if the proposed changes included only one ex-officio member, either the Mayor **or** City Manager. Council Member Bell also recommended clarification on Section 4(C), which spoke of the economic development membership requirements of the TIFA Board.

Council Member Morrissey, seconded by Council Member Sharp, moved to return the proposed amended rules to the TIFA Board so the issues raised by Council Member Bell could be clarified. By a voice vote, the motion passed unanimously.

H. MDOT Airport AWOS contract

City Manager Mackie reviewed the proposed contract and resolution that would provide funding for the on-going maintenance and service for the Automated Weather Observation and Data dissemination System at the airport. City Manager Mackie noted the Airport Advisory Committee (AAC) had provided their recommendation to approve the contract at their most recent meeting.

Council Member Bell, seconded by Council Member Briner, moved to adopt Resolution No. 3345: "A Resolution to Approve Contract No. 2018-0512 with the Michigan Department of Transportation."

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

I. MDOT Contract for W. Bacon Street Mural Painting

DPS Director Hammel presented a staff recommendation adopt a MDOT resolution to allow a community group to paint a mural on the railroad structure on West Bacon Street. Mr. Hammel stated the painting would not require the street to be closed during the project.

Council Member Stuchell commended Director Hammel for obtaining MDOT approval for the project and to Jonesville Lumber for their financial support of various community projects in the Hillsdale area.

Council Member Zeiser, seconded by Council Member Dixon, moved to approve an Agreement for adopt Resolution No. 3346: "A Resolution to Approve Contract No. 2018-5328 with the Michigan Department of Transportation."

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

J. International Association of Fire Fighters (IAFF) Bargaining Agreement

City Manager Mackie presented a three-year, tentative collective bargaining agreement between the IAFF and the City of Hillsdale, ending on June 30, 2021. City Manager Mackie reported the notable changes in the agreement included a contract re-opener if health insurance costs increased more than 10%, reinstatement of the MERS Retirement B-4 Plan, the addition of a holiday for the day after Thanksgiving, language modification of “Working Fire Chief” and “Assignment of Additional Shifts”, as well as a 2% wage increase in 2018, 2.75% in 2019, and 3% in 2020.

City Manager Mackie reported the city was unable to implement a defined contribution benefit plan for new IAFF and POAM employees, as the pension change would require the creation a new Public Safety bargaining group, which would have been cost prohibitive for the city.

Chief Hephner reviewed the costs associated with switching to a public safety system, such as additional training costs and wages. Chief Hephner also noted the personnel had increased their employee contributions for their pension from 3% to 5% in recent years.

Council Member Sharp requested the Public Safety Committee review the hourly rates paid to the paid, part-time firefighters.

Responding to a question from Council Member Bell, Chief Hephner reported the city had been successful in retaining and recruiting paid, part-time firefighters.

Council Member Bell, seconded by Council Member Dixon, moved to approve the tentative collective bargaining agreement between the IAFF and the City of Hillsdale.

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

K. Police Officers Association of Michigan Bargaining Agreement

City Manager Mackie commended both bargaining units for their professionalism during the contract negotiations and discussed the difficulty in recruiting new officers for job openings in the public safety field. City Manager Mackie reported the proposed wage scale mirrored the IAFF contract including a 2% wage increase in 2018, 2.75% in 2019, and 3% in 2020.

Council Member Dixon, seconded by Mayor Stockford, moved to approve the tentative collective bargaining agreement between the POAM and the City of Hillsdale.

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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

L. FY2018 Budget Amendments

City Manager Mackie noted the proposed budget amendments were for the previous fiscal year, and not for the FY2019 budget that had been approved at the June 4, 2018 Council meeting.

Finance Director Tew reviewed the recommended budget amendments that were necessary due to unforeseen expenses that accrued during the year. Finance Director Tew reported an additional \$150,000 had been transferred to the city’s Capital Improvement Fund from the General Fund.

Council Member Morrissey, seconded by Council Member Bell, moved to approve the FY2018 budget amendments 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 Zeiser	Aye
	Mayor Stockford	Aye

Motion passed 8-0.

M. Scheduling of July 2, 2018 Council Meeting

Council Member Bell, seconded by Council Member Briner, moved to cancel the July 2, 2018 Regular Meeting due to the holiday. By a voice vote, the motion passed unanimously.

Miscellaneous Reports

A. Reappointment of Ms. Lois Howard to the Board of Public Utilities

Council Member Briner, seconded by Council Member Bell, moved to reappoint Ms. Lois Howard to the Board of Public Utilities. By a voice vote, the motion passed unanimously.

B. Appointment of Mr. Richard Moeggenberg to the Economic Development Corp.

Council Member Briner, seconded by Council Member Sharp, moved to appoint Mr. Richard Moeggenberg to the Economic Development Corporation. By a voice vote, the motion passed unanimously.

General Public Comment

DPS Director Hammel provided information on the railroad crossing repairs on M-99 and stated the city was not been notified of the improvements until 48 hours prior to the start of the project. Director Hammel stated the crossing on Westwood and Lewis would be closed during the week of June 25, 2018 for similar repairs.

Ms. Kristy Fraga, 161 E. South Street, spoke in opposition to the BPU rate increase and discussed the negative impact the increase would have on the local economy.

City Manager's Report

City Manager Mackie:

1. Reported Governor Rick Snyder visited City Hall on June 8, 2018 to celebrate the city's graduation from the Project Rising Tides initiative.
2. Announced the Fire Department planned to receive the new ladder truck in the upcoming week.
3. Congratulated BPU Director McArthur who had been formally named as the BPU Director earlier in the week.
4. Stated City Treasurer Pete Merritt had begun duties at City Hall and had acclimated well during his first few weeks of service to the city.
5. Announced the annual Michigan South Central Power Authority's (MSCPA) Annual Meeting would be held at Olivia's in Jonesville on July 10, 2018.
6. Announced he would be on vacation during the week of Monday, July 16, 2018 and may be absent from the July 16th Council meeting.
7. Announced a total of 20 students had become involved in the new Civil Air Patrol unit based at the Hillsdale Municipal Airport.

Council Member Sharp requested if MDOT had announced any plans to reconstruct M-99 through the city limits. DPS Director Hammel reported the MDOT did not have plans to reconstruct the roadway within the next 5-15 years. Mr. Hammel reported the city had communicated with representatives from MDOT in regards to the poor condition of the roadway.

Council Member Morrissey encouraged city residents and Council Members to communicate with state legislators to advocate for more road and infrastructure funding.

Council Comments

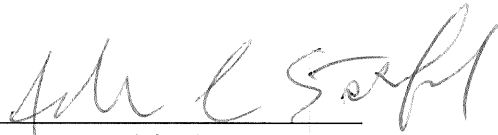
Council Member Briner requested the Finance Committee review the banks that were used by the city to determine if the city should only utilize a locally headquartered bank for their funds.

Council Member Sharp requested Mayor Stockford appoint a Council Member to the Public Safety Committee in the near future. Mayor Stockford stated an appointment would be announced at the next Regular Meeting.

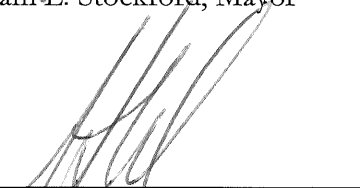
Adjournment

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

The meeting adjourned at 8:59 p.m.



 Adam L. Stockford, Mayor



 Stephen M. French, City Clerk

