

Operations and Government Committee Minutes

April 5, 2018

Members present: Councilman Matthew Bell, Councilman Timothy Dixon, Councilman Will Morrisey.

Also present: City Manager David Mackie, Human Resources Director Kay Freese, Police and Fire Chief Scott Hephner, Councilman Bruce Sharp, Hillsdale *Daily News* reporter Corey Murray, Ted Jansen, Jack McClain, Penny Swan.

The meeting was called to order at 5:32 p.m.

The minutes of the March 14, 2018 meeting were moved by Councilman Bell, seconded by Councilman Dixon, and approved unanimously.

Under Communications, Chairman Morrisey read five letters received re: the City Manager contract discussions.

1. Christopher Sumnar (3/26/2018)
2. Susan M. Smith (3/28/18)
3. Lon King (4/4/18)
4. Richard Smith (4/4/18)
5. Patrick Flannery (4/5/18)

These letters all supported City Manager Mackie's reappointment and a salary increase. The letters have been placed in the Committee meeting packet and they will also be included in the City Council's meeting packet. Both packets are available to the public on the City website.

Chairman Morrisey invited all other interested persons to submit letters on this subject, saying that letters received will be placed in the two meeting packets.

Members of the public were invited to speak.

Jill Hardway, 157 Oak Street, asked for information about the City Manager's contract proposal and about the pay structures for other administrative employees. Given the City's economic condition, she opposed a raise above that received by the other employees, which is in the 2% range. While acknowledging City Manager Mackie's achievements, she does not regard efforts to obtain grants as a basis for a salary increase.

Councilman Bruce Sharp cited City Manager Mackie's accomplishments, including increased revenues and cost savings at BPU, the 911 Center, improved relations with Hillsdale College, and several advances in economic development, including the airport apron, the ICE grant, street reconstruction and repair, new plow trucks and fire trucks, the ATT tower and the extra revenues it will bring. He praised the City Manager for his accessibility to Council, staff, and residents, and indicated that the City Manager has done everything he has been asked to do—more than any other City Manager while he has been on the Council.

Ted Jansen concurred with Councilman Sharp's statement.

Jack McClain agreed that the City Manager has achieved a great deal, but observed that these were not the accomplishments of one man, but a part of a team effort including administrative staff, Council, and members of the general public.

Under Unfinished Business, Chairman Morrissey reviewed the agreements on the contract, so far. The issues for further discussion were: severance terms, base salary, annual percentage salary increase, incentive pay, and Charter compliance language.

On severance terms, Councilman Bell observed that the proposed 12-month severance makes the City Manager practically immune to dismissal without cause, although he could be dismissed with cause. City Manager Mackie agreed, and both he and Councilman Dixon cited the volatile political atmosphere of the City as reason to offer a strong measure of job security. While agreeing that the contentiousness is not unknown in Hillsdale, Chairman Morrissey observed that during the three years of the City Manager's tenure so far, the residents of the City have shown that they elect Council members who are generally supportive of the City Manager.

Councilman Dixon moved a six-month severance clause. The motion failed for lack of a second.

Councilman Bell moved a four-month severance clause. The motion passed unanimously.

In a later comment, Ted Jansen recalled that a City Manager can also be recalled by a vote of the City residents.

On the base pay, Councilman Dixon supported the requested \$110,000 figure, observing that City Manager Mackie has saved the City some \$400,000 per year and has added State grants monies to our revenues. The \$14,500 raise would be about 2% of what he has saved for the City.

City Manager Mackie produced a chart based on figures provided by the Michigan Municipal Electric Association, consisting of twelve municipalities that are analogous to Hillsdale in that the City Manager has the additional task of overseeing the operations of the local utilities provider. (See attached chart). He said that this gives a fairer comparison than statistical tables comparing his position with City Managers who do not have this added responsibility.

Chairman Morrissey thanked the City Manager for providing this information, this being the kind of specific information we can use to make a reasonable decision. He observed that more general arguments, based on observations about the possibility of the City Manager being hired away by another municipality or a private corporation, for example, are true but not useful; they do not help us establish comparisons.

After some discussion, members agreed to request that Human Resources Director Freese gather additional data from the twelve municipalities on the chart: number of years of service; municipal tax base; and retirement contributions, including both defined benefits and defined contributions. At the later suggestion of Mr. McClain, the severance terms of the municipal managers will be added to the data base.

Committee members and City Manager Mackie agreed that Councilman Bell's request that a clause be included respecting the need to observe the City Charter be included in the contract. The language is:

“The City Manager shall follow the City Charter and shall see that his subordinates in the City are doing the same. He shall foster a mission-driven culture among his fellow City staff members that focuses on upholding the City Charter and excellence in service to the citizens of Hillsdale.”

Councilman Bell reviewed his proposal that the City Manager’s salary increase be fixed at 2% per annum, with an incentive: If, under his leadership, the City finishes a resurfacing project (curb-to-curb) of one-half-mile or more of road in that fiscal year, in that fiscal year, the City Manager shall receive an additional 2% for a total of 4%. Resurfacing is defined as chip and seal or better, and multiple projects per fiscal year can be aggregated to achieve the half-mile benchmark. The City Manager would report this each year as part of the budget proposal.

Chairman Morrissey backed the proposal, saying that for many years the City has delayed major street work; this will indicate a serious commitment to steady progress on the streets, which is a major priority for City residents and an important economic development tool in its own right. Given the street reconstruction lined up for this year, this would mean that the City Manager would receive a 4% raise in the first year of the contract. City Manager Mackie indicated that he would entertain this proposal.

Members discussed a date for the next meeting later in April. Members agreed to let the Chairman know what dates are workable.

There being no further business, Councilman Bell moved to adjourn, Chairman Morrissey seconded, and the meeting was adjourned at 7:08 p.m.