

**CITY OF HUDSON
121 N. CHURCH STREET, HUDSON, MI 49247
REGULAR MEETING
May 1, 2012**

745136:

The regular meeting was called to order by Mayor Dennis Smoke at 7:00 p.m. in the Council Chambers.

ROLL CALL: PRESENT: Dennis Smoke, Carmel Camp, Ed Engle, Jr., Lee Ann Minton, Rex Murphy, Jr., and Jim Steele.

ABSENT: Lee Daugherty

ALSO PRESENT: Police Chief Charles Weir, Fire Chief Jerry Tanner, Jr., Assistant Librarian Joann Crater, WTP Superintendent Phil Goodlock, Treasurer Marcia Willett, Deputy Clerk Jeaniene McClellan, Namrata Carolan, Wes Boyd, Dan Cherry, City Manager Steve Hartsel, and City Clerk Judy Tanner.

ORDERS OF THE DAY:**745137:**

Motion by Lee Ann Minton, seconded by Jim Steele to **excuse Mr. Daugherty from the meeting, because he is on vacation**, CARRIED: 6-0 by roll call vote.

Setting the Agenda:**745138:**

Motion by Rex Murphy, seconded by Lee Ann Minton to **add Executive Session: OMA Section 8 (c) Excuse City Clerk from the Executive Session to the Agenda as Item B, and move the existing Item B to Item C**, CARRIED: 6-0 by roll call vote.

Approval of Minutes:**745139:**

Motion by Rex Murphy, seconded by Carmel Camp to **approve the minutes of April 17, 2012, and place on file**, CARRIED: 6-0 by roll call vote.

PUBLIC COMMENT:

Namrata Carolan – 200 Oak Street addressed Council regarding the March 15, 2012 tornado that hit a neighboring city of Dexter Michigan. Mrs. Carolan stated that she and her daughter had made a trip to Dexter to assist in the cleanup. She also stated that she would like to urge the community to just be prepared with at least a small survival kit in case of an emergency.

NEW BUSINESS:**Discussion: FY 2012/13 Budget:**

City Manager Steve Hartsel provided Council with a proposed budget for the fiscal year 2012/13. He also provided them with a summary of the revenues and expenses for each fund that highlighted the significant provisions of the proposed budget. \$27,171.00 is projected to come from the fund balance in the General Fund, due to an unforeseen loss of revenue caused by a State-mandated 33% decrease in Revenue-sharing

and a drop in ad valorem property taxes. He advised that this is expected to stabilize during the next budget year. Mr. Hartsel advised that the main expenditures proposed for the upcoming fiscal year include Phase I of the Pleasant Street reconstruction (Grove to Aldrich) at approximately \$350,000.00, and the completion of Steger Industrial Drive by the LDFA for \$535,000.00. Council was advised that the last LDFA Bond payment will be paid this month.

Mr. Hartsel reviewed the proposed budgets for each department's revenues and expenses, and pointed out that there are proposed Capital Expenses in the budget this year. He stated that there are some pressures on the General Fund, but the other funds for the most part are in good shape. Mr. Hartsel highlighted the proposed budget transfers coming from Fund Balance to departments totaling \$1,402,944 just under a 10% decrease from last year. \$291,900 is projected from the LDFA Fund to contribute towards the work at Steger Industrial Drive; \$457,896 from the Income Tax Fund is primarily for Pleasant Street.

Noted items discussed were: that the increase in fringe benefits reflects a 15% increase in full-time employee BCBS costs; AmeraPlan decreased \$5,000; City Clerk a slight increase in wages, \$2,500 in conference and training; City Treasurer a \$1,500 increase in salary negotiated upon hire date; Office Operations \$4,000 in computer equipment to replace server; Police Department: Mr. Hartsel recommended reducing one full-time police officer and replacing with part-time police officers, which is projected to save to just under \$62,000.00 out of the general fund. Council was provided with a memo from the Police Chief objecting to the reduction of a full-time officer; Building Inspections \$8,500; Planning Commission \$3,002; Public Works \$426,243; General Fund Other: decrease in self-insurance, workers compensation and unemployment compensation; Local Street restoration reduced to \$2,500; it was discussed that the Fire Department General Fund is contributing \$12,257 to balance expenses, other items discussed were to lower salaries and wages to \$20,000 and capital outlay to \$14,000, and Council decided after thoughtful discussion and input from the Fire Chief to only reduce salaries and wages to \$22,000, increase the building fund to \$2,000 for repairs on two HVAC units, and increase capital outlay to \$21,000; Recreation Fund, \$1,000 to reinstall stall doors on the ladies restroom at Will Carleton Park; the Ambulance Department receivables has increased, under proposed expenses an increase in salaries and wages, capital outlay \$60,000: pay off ambulance loan early and propose \$52,000.00 for the down payment of a new ambulance and \$8,000 to upgrade sleeping quarters; Community Center, \$4,000 increase for flooring; Library Fund Revenue: Penal Fines reduced to \$18,006, Capitol Improvement Grant-Reinhardt proposal for building improvements \$25,000, and transfer \$46,828 out of the general fund into the library fund to balance expenses. Library Expenses: Mr. Hartsel proposed a second personnel recommendation to allow the Librarian to retire this year, and we would continue to cover her BCBS until she is Medicare eligible in November 2015 in exchange for 8 hours of volunteer work at the Library. The assistant librarian would return to 40 hours per week, part-time increased to 20 hours per week both with a slight wage increase, and hire an entry level part-time person at \$8.00 per hour for 8 hours per week for a projected savings in the general fund of \$38,638.45; DDA Revenues: the DDA will capture no tax money under TIF due to the SEV decline, Expenses: Advertising \$1,000 and Paint Program \$7,000; LDFA Revenues: Tax Capture \$326,874.66, Expenses: Marketing \$5,000, Retention Pond Sidewalk \$7,500, Steger Phase 5 Construction completion \$471,379, \$64,800 for Engineering, and Industrial Park Sign \$20,000, and the Industrial Park Bond Payment \$0 as it will be paid off this year. Mr. Hartsel noted that the LDFA is requesting a one-year delay in the repayment of their remaining installment of \$102,456.00 to the Income Tax Fund hoping to take advantage of lower prices to complete the existing development of Steger Industrial Drive this year. Sidewalks: Murdock Trail \$20,000 and CMAQ Grant match (Murdock Trail) \$43,000; Utility Fund Revenues: Decrease in Lab Services, increase in sewer and water use receipts, Expenses: increase in salaries and wages, approximately \$30,000.00 to cover the replacement of three influent pumps at the Wastewater Treatment Plant, and \$90,000.00 for the installation of a Headworks Screening Device. WTP Utilities Fund: Increase in salaries & wages, and membership & dues, and Council was advised that Depreciation is \$0, because it is

an auditing item and not a budget item, and has been eliminated from the budget, which was approved by the City's Auditor. Motor Vehicle and Equipment Fund: Anticipated fund beginning balance \$155,000, Expenses: \$16,000 for lawn mower replacement. Income Tax Fund Revenue: Due from LDFA \$0 pending Council approval of the 1-year delay request of \$102,456 repayment, and the S2 Grant sewer system study will be 90% reimbursed \$19,800, Expenses: Due to General Fund \$12,000 for the west gateway sign, a proposed Capital improvement plan to replace the sign in the upcoming fiscal year, Due to Local Streets – Pleasant Street \$300,000, and Capital Outlay S22, 000 for the S2 Grant application.

Council had several questions regarding the proposed budget items, and salaries and wages for the office. Mr. Hartsel advised that where the office staff was concerned the Deputy Clerk position was filled at a significant decrease in salary, and we reduced the office staff by one person last July. The City Treasurer noted that for 5 years full-time employees have not received wage and proposed a 3% increase. Mr. Hartsel stated that the DPW employees remained in agreement of this in order to keep their benefits. We are looking into the EVIP ruling changes for employee benefits. Council was reminded that the budget needs to be approved by Council no later than May 31, and takes effect on July 1st.

Executive Session: OMA Section (8) Excuse City Clerk from the Executive Session – Union Negotiations:

The City Clerk requested permission to be excused from the Executive Session pursuant to OMA Sec. 8(c)). Council would need to appoint an acting secretary for the Executive Session.

745140:

Motion by Lee Ann Minton, seconded by Carmel Camp to **excuse the City Clerk Judy Tanner from the Executive Session pursuant to OMA Section 8(c)) for strategy and negotiations regarding the Department of Public Works and Police Department Union Contracts, and appoint Rex Murphy as Acting Secretary**, CARRIED: 6-0 by roll call vote.

Executive Session: OMA Section 8 (c) DPW and Police Union Negotiations:

Per Section 8 (c) of the OMA, Council entered into Closed Session for the purpose of discussing and continuing contract negotiations regarding the Department of Public Works and Hudson Police Department union contracts.

745141:

Motion by Rex Murphy, seconded by Lee Ann Minton to **enter into Closed Session pursuant to OMA Section 8 (c) for strategy and negotiations regarding the Department of Public Works and Police Department Union Contracts**, CARRIED 6-0 by roll call vote.

- ** Entered executive session at 8:49 p.m.
- ** Returned to open session at 9:50 p.m.

After returning to open session Councilperson Rex Murphy stated that Council discussed the strategy plans for the union contracts regarding the DPW and Police Department, and recommended to accept and sign the draft DPW contract and submit for approval.

745142:

Motion by Lee Ann Minton, seconded by Jim Steele to **approve the DPW union contract submitted for acceptance**, CARRIED 6-0 by roll call vote.

UNFINISHED BUSINESS:

SECOND READING: PILOT Program Ordinance No 390.12 – Hudson II Apartments:

At a regular meeting on April 17, 2012 Council approved the first reading and waived the actual reading of Ordinance No. 390.12, Section 2.156 - Hudson II Apartments. This Ordinance permits Hudson II Apartments to pay a like amount of taxes (approx. \$10,000.00 annually) to the City under State Law allowing Payment In Lieu of Taxes, or PILOT.

745143:

Motion by Lee Ann Minton, seconded by Carmel Camp **to approve the second reading and waive the actual reading of Ordinance No. 390.12, Section 2.156 – Hudson II Apartments**, CARRIED 6-0 by roll call vote.

Bills:**Bills to be Approved for Payment: \$14,201.53**

Elhorn Engineering Co.	\$1,420.00	WTP 120gal Aquadene (treatment chemicals)
Municipal Supply Co.	\$1,642.28	DPW Replacement Blades (dump truck underbodies)
Craig Wickham Tree Service	\$2,400.00	10 Trees and 12 Stumps removed APR 2012
Modern Waste Systems	\$8,739.25	April 2012 Refuse Service

Bills to be Confirmed: \$16,093.85

Unique Paving Materials	\$1,731.00	17.31ton Cold Patch (local & major streets)
Consumers Energy	\$2,103.53	WTP April 2012 Electricity
Consumers Energy	\$3,520.07	WWTP April 2012 Electricity
Modern Waste Systems	\$8,739.25	March 2012 Refuse Service

745144:

Motion by Rex Murphy, seconded by Ed Engle **to pay the bills**, CARRIED 6-0 by roll call vote.

CITY MANAGER'S REPORT:

- The City has submitted its required certification in order to meet its eligibility for the third and final portion of the Economic Vitality Incentive Program (EVIP) relating to employee compensation (as discussed at the April 17th Council meeting). There has been considerable State legislative activity this past week changing the program. I will be participating in a web seminar this week to learn about these changes. It appears that by June 1st, Council will need to certify that the City is meeting the requirements of Public Act 152 of 2011 (it is). This is in addition to the EVIP-related item approved by Council at the last meeting. It is somewhat confusing, and I will report back to Council once the changes resulting from the current and pending legislation become clear.
- I have been notified that for no charge, Merit will be routing the dark fiber-optic cable line underground into town from US-127 down Railroad as far as the central switching station at Main and Market Streets.
- The Consumers Energy substation replacement is now scheduled to commence at end of 3rd Quarter/start of 4th Quarter. It will be completed by the end of the year. The substation will remain rated at 18 Megawatts. The previous high demand at the substation was 11 Megawatts.
- The delivery date for the 1-ton dump truck for DPW is expected to be during the month of June.

- Construction work on Phase 4 of Steger Industrial Drive has resumed. The work right now is focusing on earth excavation and fill, in advance of road bed work.
- The Spring City-wide trash pickup was successfully concluded last week without a single complaint received by the City. Well-done to residents and to Modern Waste for making it a success.
- The benches have been installed along the Findlay Trail at three locations. This should increase use by seniors, in particular. The Senior Center is intending to have morning walks on the trail in the near future. The trash cans and pet waste stations should be mounted tomorrow.

COUNCIL COMMENTS:

ADJOURNMENT:

745145:

Motion by Lee Ann Minton, seconded by Carmel Camp to **adjourn the meeting at 9:58 p.m.**

APPROVED: _____
Dennis Smoke, Mayor

ATTEST: _____
Judith A. Tanner, City Clerk

REVIEWED BY: _____
Denis F. Jodis, City Attorney
Dated: _____