

**Regular Meeting of the Howell City Council**  
**Monday, May 22, 2017**  
**Howell City Council Chambers – Lower Level**  
**611 E. Grand River**  
**Howell, Michigan 48843**  
**517-546-3502**

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The regular meeting of the Howell City Council was called to order by Mayor Nick Proctor at 7:00 p.m.

Council Members Present: Robert Ellis, Jeff Hansen, Jan Lobur, Michael Mulvahill, Scott Niblock, Steven Manor and Mayor Nick Proctor.

Also Present: City Manager Shea Charles, City Attorney Dennis Perkins, and City Clerk Jane Cartwright.

Others in Attendance: Police Chief George Basar, Community Development Director Tim Schmitt, DPW Operations Manager Mike Luce, IT Director Mike Pitera, Project Technician Matt Davis, Parks & Cemetery Supervisor Jason McClanahan, Assessor Joey Lentine, Recreation Director Paul Rogers, Tom Richardson, John & Caron Davis, Alex Smith, Andrew Yost.

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVED MINUTES**

MOTION by Mulvahill, SUPPORT by Ellis, “To approve the minutes of the regular meeting of the City Council held May 8, 2017.” MOTION CARRIED (7-0).

**4. CITIZENS’ COMMENTS**

- None.

**5. REPORTS – COUNCIL MEMBERS SERVING ON COMMISSIONS**

- Member Lobur reported on the May 21, 2017 Planning Commission meeting. Approved a Special Land Use permit to operate an Auto Repair Shop at 422 W. Grand River with conditions; approved the site plan for the Pearl Building at 309 E. Grand River to include retail, restaurant, 4 dwelling units, 3<sup>rd</sup> floor addition and accessory structure; approved the site plan for a 40 x 60 addition at 2140 Industrial Street for retail food distribution (Boars Head); approved the site plan for Thai Summit for a 77,000 sq. ft. addition and parking; and approved the lot split requested by Vern Brockway on Lucy Road.
- Mayor Proctor reported on the May 15, 2017 annual TIFA meeting.
- Mayor Proctor reported on the recent Livingston County Tax Allocation Board meeting.

- Mayor Proctor reported on the May 17, 2017 Howell Area Fire Authority meeting. The 2017/2018 budget was approved and they are working on the process of extending fire station leases.
- Mayor Proctor read a message from DDA Director Cathleen Ederly thanking Council members and City staff for their support and attendance at the May 20<sup>th</sup> Food Truck Rally. She also encouraged donations to support the Peanut Row Alley project to raise \$12,000 by June 30<sup>th</sup> in matching funds for the MEDC grant.

6. **COUNCIL CORRESPONDENCE**

None.

7. **APPROVED – NATIONAL STREET SIDEWALKS, REVISED SCOPE**

City Manager Charles reported staff estimates the cost of installing sidewalks on the east side of National Street at \$33,000 – \$43,000. Staff also suggests adding the portion of sidewalk on the west side of N. National to create a pedestrian crossing to North and Clinton Streets at an estimated cost of \$8,000 - \$10,000. MOTION by Manor, SUPPORT by Hansen, “To direct staff to proceed with option #2 to install sidewalks on the east side of N. National as well as a mid-block crossing as part of the 2017/2018 budget.” Mayor Proctor expressed concern with moving forward with the project prior to the beginning of the new budget year noting the project may be needed however was not essential. Council members indicated it was a public safety issue and stressed the importance of keeping the infrastructure current. City Manager Charles stated staff will be able to complete some of the design and bidding process to reduce cost. MOTION CARRIED (6-1). Mayor Proctor opposed.

8. **INTRODUCED – RESOLUTION NO. 17-14, UTILITY RATE INCREASE**

Member Mulvahill introduced Resolution No. 17-14, Utility Rate Increases.

9. **APPROVED – AMENDED CONSENT JUDGMENT, HABITAT FOR HUMANITY HOUSE, 909 NORTH STREET**

MOTION by Ellis, SUPPORT by Lobur, “To approve the revised consent judgment between the City of Howell and First National Bank/Habitat for Humanity for 909 North Street.” MOTION CARRIED (7-0). MOTION by Ellis, SUPPORT by Hansen, “To authority City Attorney Perkins to sign the amended consent judgment.” MOTION CARRIED (7-0).

10. **APPROVED – HVAC UNITS FOR BENNETT CENTER**

MOTION by Ellis, SUPPORT by Hansen, “To approve the replacement of one roof mounted and three wall mounted indoor AC units at the Bennett Recreation Center as part of our Livingston County Maintenance Contract as outlined in the proposal from William E. Walter, Inc. for an amount not to exceed \$9,750.” MOTION CARRIED (7-0).

**11. DISCUSSED – FOURTH AMENDED ARTICLES OF INCORPORATION, HOWELL AREA PARKS & RECREATION AUTHORITY**

Director Rogers indicated Howell Township joined the authority last year and Howell Schools no longer want to be part of the Authority Board. The revised articles of incorporation incorporate these changes, clean up some language, clarify financial contributions by each member and provide a mechanism to allow other entities to join. The Board is seeking additional input, ideas or suggestions. The Fourth Amended Articles of Incorporation will be considered by the Recreation Board on May 31, 2017 after which he will request final approval by each member municipality. It was noted that Howell Township residents only receive 1 park sticker per household and pay a 20% higher rate for programs. Attorney Perkins submitted some clerical revisions to incorporate however noted the current format is appropriate.

**12. DISCUSSED – IT DATA CENTER**

City Manager Charles explained 5 years ago the City entered a partnership with the City of Brighton for shared IT services. The Data Center has grown over the years incorporating 22 servers and is at its end of life. With the requirements of the SAW grant program for GIS updates, Gracon looked at current and future needs of the Data Center with a cost estimate of \$125,660 split between three entities; Howell, Brighton, and the Recreation Authority. IT Director Pitera described the proposed addition of a third host service providing back up capabilities and more room to expand. The City of Brighton does have one financial server however 90% of their data is hosted at Howell City Hall. Impact on the general fund equates to 25 to 30% of Howell's portion of \$62,910 for the current fiscal year. Discussion followed on the cost breakdown and return on investment compared to Cloud Computing and the capability to separate the Data Center from the internet. Council concurred with moving forward on the project and going out to bid after review and approval by the City of Brighton. MOTION by Manor, SUPPORT by Hansen, "To authorize staff to proceed with the bid process for the IT Data Center subject to final approval by City Council." MOTION CARRIED (7-0).

**13. DISCUSSED – MDOT TRAINING WHEELS PROGRAM**

Community Development Director Schmitt reviewed the MDOT Training Wheels program held in the City on May 9, 2017. The general consensus of the group participating in the event was Howell had a good start in being a bicycle friendly community. The theme of the program was connections and after the morning classroom presentation, participants went out in the field and biked the predetermined route through downtown neighborhoods and streets. The experts pointed out that the City does not need a bike lane everywhere however a regional non-motorized plan is needed. It has been 20 years since the Crosstown trail was developed and they will look to Livingston County for broader support. After the fieldwork, the class developed options for a proposed crossing at Grand River and National Street. The traffic calming enhancements already in place worked very well for biking. Generic bike parking is still needed downtown and staff will be looking for more creative solutions as the City is starting to get a critical mass of

cyclists. The program provided very good training; the next step is to work toward development of the regional network to connect with existing trails outside of the City. The Farmers Market has requested a bike corral which may be incorporated on a trial basis this summer. Member Manor suggested bringing the Livingston County Transportation Coalition into the conversation to provide the connections. City Attorney Perkins suggested the Tour De Livingston group as another great source for this project. Mayor Proctor requested periodic updates.

**14. APPROVED PAYMENT OF BILLS**

MOTION by Lobur, SUPPORT by Ellis, “To approve the payment of bills ending May 22, 2017 in the amount of \$405,287.76 and payroll to cover the period ending May 27, 2017.” MOTION CARRIED (7-0).

**15. BOARD/COMMISSION APPOINTMENT**

Lake Board – Leonard Mattson, term ending April 30, 2019. MOTION by Hansen, SUPPORT by Mulvahill, “To reappoint Leonard Mattson to the Lake Board for a term ending April 30, 2019.” MOTION CARRIED (7-0).

**16. CITY MANAGER’S REPORT**

- Long Term Budget/Headlee Override Discussion. City Manager Charles began by stating that the City continues to struggle with the after effects of the 2008 recession due to the failed fiscal model for funding Michigan’s local full service communities. The City will need to identify additional revenue sources or look at service reductions beyond the 2017/2018 fiscal year. The fiscal challenges are directly attributable to the impact of Proposal A, the Headlee Amendment and the State of Michigan not fully funding revenue sharing. Proposal A established 2 different values for properties. Taxable value can only grow at the rate of inflation or 5% whichever is less. The City’s taxable value declined by 35% with the recession and has not recovered due to these growth restrictions. Citizens Research Council released their report on Michigan’s Broken Fiscal Model depicting the impact of Proposal A which created a large gap for Michigan communities. The City’s assessed value has grown by 23.46% since 2013 however the taxable value has only increased by 6.84%. State Revenue Sharing has declined from \$1.84 million in 2001 to \$838,000 for 2017. Every other state has experienced an increase in general municipal revenue except for Michigan.

The 2017/2018 budget is expected to reduce fund balance by \$441,257 and \$1.3 million in projects were cut from the budget. The City has been underspending by over \$1 million per year on infrastructure improvements. City residents are paying less in city taxes than 3 years ago. Even in a period of economic growth, the City is ending up with less revenue. The Headlee Amendment has caused a millage rollback for the last 2 years equating to a revenue loss of \$150,000 per year. The trend is not abating and the City can no longer support the existing service model. The only option for City Council to increase revenue is a special assessment for public safety on all real property allowing the levy of all

expenses associated with public safety. The other option, a Headlee Override proposal, requires a vote of the people. The maximum millage capacity is 20 mills however Headlee has rolled back the millage rate to 15.6, a reduction of 4.4 mills. City Manager Charles referenced the good work currently being done by the Michigan Municipal League campaign entitled Save MI City [www.savemicity.org](http://www.savemicity.org).

Mayor Proctor stated the status quo is unsustainable and expressed his desire to move forward with a Headlee Override ballot proposal for May 2018. MOTION by Manor, SUPPORT by Hansen, "To direct staff to begin preparation to hold a special election May 8, 2018 where voters will be asked to authorize a Headlee Override to return the City of Howell to the full 20 mill limit allowed under state law." Member Manor expressed his support for the ballot proposal stating that the City has a story to tell and can provide the rationale for the millage increase noting the importance of maintaining a good community to live in. The State has balanced their budget on the backs of local municipalities. Member Niblock read a prepared statement to his fellow residents of the City of Howell outlining his support for the Headlee Override ballot proposal and the importance of allowing a vote of the residents on this major decision. Council discussed the scheduling of work sessions to develop a marketing strategy and the rationale of requesting the full 4.4 mills. It was noted that even with a reset to the 20 mills limitation, the millage rate will gradually erode and continue to be reduced by the rollbacks required under Headlee. If revenue sharing increases, Council can levy only the amount needed during each budget cycle. MOTION CARRIED (7-0).

City Manager Charles thanked Mayor & Council for their support noting it was a tough decision; additional meetings will be scheduled over the summer. Council discussed the option to use teleconferencing for work sessions if Council members are out of town. Staff will look at different technologies to allow members to participate.

- The State is proceeding with the paving project for a portion of Lucy Road. They have asked the City to act as fiduciary for the County Road Commission on this project.
- Congratulated the Main Street Food Truck Rally held on May 20<sup>th</sup> and referenced the MEDC grant to improve the Peanut Row Alley.
- The City was not successful in receiving the ICE grant ranking 16<sup>th</sup> out of 44; only 14 communities were funded.

#### 17. **OLD BUSINESS**

- Member Ellis questioned the status of the service line warranty program.
- Member Manor questioned the status of Mark's Coney Island restaurant noting that adjoining businesses have expressed concern with the condition resulting from the fire. He requested staff investigate options for condemnation proceedings.

- Member Manor commended the restoration work on Parking Lot 2 however expressed concern with the dumpster still remaining on the property.
- Mayor Proctor commented that the new recycling program was going well.
- Mayor Proctor referenced the cover story of this month's MML Magazine highlighting Howell's Balloon Festival.

**18. NEW BUSINESS**

- Member Mulvahill questioned the barrels at the Ann Arbor Railroad building.
- Mayor Proctor reminded Council that the next meeting scheduled for June 12<sup>th</sup> was in 3 weeks instead of 2 weeks. Member Lobur stated she will be out of town.
- Member Mulvahill stated he has received positive comments from a couple boaters on the nice new dock at the boat launch.

**19. EXECUTIVE SESSION – CITY MANAGER'S EVALUATION**

8:51 p.m. MOTION by Ellis, SUPPORT by Hansen, "To adjourn to Executive Session to finalize the City Manager's 2016 annual review with a roll call vote." Mulvahill – yes, Niblock – yes, Ellis – yes, Manor – yes, Lobur – yes, Hansen – yes, Proctor – yes. Attorney Perkins stated he will not attend the session. MOTION CARRIED (7-0).

9:20 p.m. MOTION by Ellis, SUPPORT by Hansen, "To reconvene the regular meeting." MOTION CARRIED (7-0). MOTION by Hansen, SUPPORT by Ellis, "To set the City Manager's salary at \$99,125, a 2.5% increase for the 2016/2017 fiscal year." MOTION CARRIED (7-0).

**20. ADJOURN**

MOTION by Ellis, SUPPORT by Hansen, "To adjourn the regular meeting of the City Council at 9:21 p.m." MOTION CARRIED (7-0).

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Nick Proctor, Mayor

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Jane Cartwright, City Clerk