

**Regular Meeting of the Howell City Council**  
**Monday, May 7, 2018**  
**Howell City Council Chambers – Lower Level**  
**611 E. Grand River**  
**Howell, Michigan 48843**  
**517-546-3502**

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**1. CALL TO ORDER**

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, Jan Lobur, Steven Manor, Michael Mulvahill, Scott Niblock, Andrew Yost and Mayor Nick Proctor.

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

Others in Attendance: Deputy Police Chief Scott Mannor, Police Officer Brooke Briggs, DPS Director Erv Suida, Finance Director/Treasurer Catherine Stanislowski, Community Development Director Tim Schmitt, IT Director Mike Pitera, DPW Operations Manager Mike Luce, Assessor Joey Lentine, Project Technician Matt Davis, DDA Director Cathleen Ederly, Main Street Outreach Coordinator Kate Litwin, John & Caron Davis, Tom Austin, Chris Niblock, Arlene Gates, Susie Park, Susan Bromley, Dorothy Mulvahill, Bruce Keyes, Sandra Drown, Penny Jones, David Getschman, Jackie Douglass, Jerry Douglass, Bob Hackman, Robert Sprytzer, Helen Snelgrove, Joshua VanSickle, Jim Smullen, Nick Zurek, Barbara Pfau, Dominic Palmieri, Jeff Kraus, Shelley Scarfone, Scott Hodge, Pat Plosky, Kathleen Vogt, Ada Shyman, Ron Gosselin, Charlene Hatfield, Elizabeth Garvey, Deb Hoemke, Laura York, Larry Rodwell, Robert Broadbent, Bret Coy, Kathleen Coy, J.R. Drick, Jamil Czubenko, Jeanette Freeland, Jim Freeland, Eric Myers, Susie Hill, Jane Thierfeldt, Bonnie VanSickle, Joyce O'Donnell, Mary Nolan, Tom O'Donnell, Alan Pfau, Mary Cole, Robert Vogt, Nancy Brehm, Cathy Blight, Michael Cheeseman, Lana Brockway, Gary Fazekas, Matt Wilson, Eric Forss, John Cleary, John Jones, Aiden McLearn, T.J. Lekander II, John Keivu, Julie Cribley, Gerald Jablonski, Susan Maynard, Scot Baird, Inge Burch, Sherri Stuhrberg, John Stuhrberg, Joseph Rackov Jr., Edward Perez, Mike Olschanski, Becky Niblock, Steve Polizzi, Richard Olrich, Howard Zeigel, Jennifer Broadbeat, Dixie Frazer, Warner Frazer, John Kessel, Rick St. Onge, Thersia Mendolia, Margaret Withorn, Bev Mack, Susan Kaba, Ann Heins, Karen Schafer, Randy Hatfield, Angela Stoyak, Gayle Down, Michael Down, Jill Griffin, Bill Griffin, Clarkson Warden, Laura Toms, Phil & Sarah Lewis, Tami Hammac, Harold Aardal.

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVED MINUTES**

MOTION by Ellis, SUPPORT by Yost, “To approve the minutes of the regular meeting of the City Council held April 23, 2018.” MOTION CARRIED (7-0).

**4. CITIZENS’ COMMENTS**

- Margaret Withorn, 509 E. Clinton, expressed concern with the condition of the water tower north of Grand River.
- Jeff Kraus, 628 North Street, questioned if back taxes were owed at 622 North Street.
- Ann Heins, 212 Prospect, restated her concern from the April 23, 2018 meeting that it was an illegal meeting, and the process was not legal with the special assessment laws.

**5. PUBLIC HEARING – PUBLIC SAFETY SPECIAL ASSESSMENT ROLL**

City Manager Charles recapped the presentation made at the April 23, 2018 meeting outlining the outside factors affecting the City’s budget including reduction in state shared revenue, impact of the 2008 recession and loss of 27.6% of taxable value, limitations of Proposal A and the Headlee Amendment, and the change in actuarial assumptions on the Pension System. This fiscal stress is not unique to the City of Howell however is being felt throughout the State of Michigan. All similar communities are looking at either enhanced revenue or reduced services.

Mayor Proctor opened the public hearing at 7:09 p.m.

- Jeff Kraus, 628 North Street, referenced his budgeting experience with MDOT and their 15% budget reduction. He also questioned why the City hadn’t moved to a Defined Contribution program, the size of the Police Department and potential coverage of the City by the Sheriff’s Department at a reduced cost.
- Jim Smullen, 210 George, stated he was representing Howell property owners and citizens with a petition containing hundreds of signatures. He also stated the Council did not run on a platform of raising taxes, the notification process was illegal, the residents demand a vote, and the public hearing should be postponed.

Mayor Proctor accepted and read the heading of the petitions opposing the creation of the Public Safety Assessment District and preserving rights to appeal with the Michigan Tax Tribunal.

- Sherri Stuhrberg, 807 Spring, stated she totally opposes the special assessment, and questioned if it was for public safety or infrastructure. She also stated a lot of people live on fixed incomes and asked if anyone cared about the citizens.
- John Davis, 907 Meadowlark, stated he appreciates what the City offers its citizens, emphasized the benefits of a community minded police department that is present for the community. The proposed revenue is going to the Police Department.

Residents have a chance to attend the meetings, voice their opinions, read the minutes, and be informed about the issues. The City Council represents the citizens.

- Susie Hill, 822 Spring, indicated the special assessment has no end date and cannot be claimed on the homestead tax credit. She also stated the Police Department is appreciated however opposed the special assessment and questioned why the Headlee Override was not looked into.
- Rick St. Onge, 916 S. Chestnut Street, stated there was no question that the special assessment was contested, questioned how Sections 14.7 & 14.8 of the City Charter affect the special assessment, the difference in footprint of the district compared to the Howell Area Fire Authority, and if the special assessment had to improve, benefit or increase the value of property.

Attorney Perkins stated Act 33 was a statute with relief under the Michigan Tax Tribunal and the referenced sections of the City Charter did not apply. He also indicated that benefit and value were not necessarily the same thing.

- Kathy Blight, 1319 Lakeside, cited the City of Lansing vs. Genesis 1918 & 1980, quoted the definition of a special assessment stating it must increase the value of property, assessments cannot be used to compute the Homestead Property Tax Credit and are not deductible on your federal income tax return. Police services would be a benefit to the public at large – not increase the value of the property.
- Ann Heins, 212 Prospect, cited 1986 case law under the Michigan Supreme Court for special assessments. She also questioned why the City didn't look into police service through the Sheriff's Department, and stated that none of the proceedings have been legal and she opposes the special assessment.
- Bruce Keyes, 1932 Oak Squire & owner of Twist & Shout, stated he has raised his family in Howell and contributed to the community. He is being hammered (with taxes) at home and with his City business and doesn't think it is fair that the Council is trying to sneak in something without a vote.
- Caron Davis, 907 Meadowlark Lane, indicated she was personally offended that people claim to know the law better than the City Attorney, and expressed concern with the claim that Council was trying to pull the wool over their eyes when citizens are not doing their civic duty by regularly attending the meetings.
- Debra Hoemke, 404 Maple, indicated she was on a fixed income, was not convinced the City Attorney knew the law, would like to know where the money is going if only 33% was going to the Police Department, and stated she was opposed to the special assessment.
- Jeanette Freeland, 501 Byron, indicated she was proud of her neighbors for researching the issue and was really disappointed with how the process has played out. She acknowledged Council has a very difficult job, however since it all happened so fast the citizens haven't had an opportunity to understand what went into the decision. She requested Council give it some more time and questioned how the special assessment option became the top choice with so many negatives.
- Warren Frazer, 1375 Lakeside, went on record for being opposed to the special assessment and stated the correct answer is not charging more money.

- Harold Aardal, 510 E. Clinton, questioned the percentage of the pension obligation and stated Defined Benefit plans in the private sector have largely gone away; the City needs to look at converting their plan to a Defined Contribution. City Manager Charles indicated converting the plan would require accelerated payments.
- Angela Stoyak, 140 Inverness, stated she circulated petitions in her neighborhood and received 50 signatures; there were only 3 houses that didn't want to sign. She encouraged Council to revisit the issue noting it was bigger than not wanting to pay more taxes; the residents want to vote and had concerns that the special assessment was not tax deductible, no end in sight for the increase, and they were not clear what the additional money was for.
- Jane Thierfelt, 216 Summit, stated she formally opposed the special assessment, referenced the empty houses and blight situations in her neighborhood and questioned the number of signatures needed to block the action.

Attorney Perkins referenced Public Act 33 requiring 10% of the land in the district, not a percentage of property owners to block the special assessment district. All commercial, residential and industrial property would be subject to the assessment.

- Randy Hatfield, 722 E. Grand River, indicated this was a disgrace to the whole idea of public service and questioned how many petition signatures were needed. He is already paying \$6,000 in taxes and the City is considered low to moderate income.
- Debbie Fazica, 132 W. Highland (owner of Pet-X), stated she pays \$22,000/year in taxes and the increase would have to be taken out of her employees pockets. She appreciates the Police Department however would rather pay a fee for police service when needed. She also stated her opposition for the record.
- John Cleary, 111, 113, 115, 117, 119, 201 E. Grand River, indicated he has been blessed to own a business in a great community with wonderful people for 30 years. He also stated democracy is about listening to the people who have taken the time to come and presented some interesting facts to investigate. He suggested Council table the special assessment and hold town hall meetings to talk/educate the citizens on options. He is very concerned this action could turn the town upside down and stated his opposition for the simple reason that it was wrong.
- Rob Hackman, 121 Madison, stated he has no complaints about the town however questioned if the Council has heard enough from concerned people; let them have a vote on this issue.
- Susie Hill, 822 Spring, consulted with a certified tax consultant that there was no way the special assessment can be claimed as a tax deduction. Residents are already taxed higher than Brighton.
- Tammy Hammic, 1819 Oak Squire, stated she has lived here 2.5 years and the taxes have increased; the additional \$318.20 will ramp up her escrow account. She opposes this action 100%.
- Sue Kaba, 174 W. Caledonia, submitted her opposition letter and it was her understanding that the petition had to be submitted at the April 23, 2018 meeting. She paid \$8,000 in taxes in 2012 and she will be showing up to get the value for what she pays.

- Brett Coy, 510 Jewett, questioned why the City was against putting it to a vote and if the assessment was for the Police Department. The City has already created two authorities to alleviate costs. He stated he is totally against this action and requested the Council members look inside their heart and mind before making a decision.
- Joshua VanSickle, 221 Livingston, indicated he believed this was not the right path; residents would like to decide for themselves to support the Police Department and questioned what the other 66% of the money was going for. He stated he would vote yes on a tax increase if he could write it off on his taxes.

Mayor Proctor stated the Headlee Override proposal discussed would raise the millage rate up to the authorized limit of 20 mills; the 3 mills proposed under the Public Safety Assessment would be less. City Manager Charles clarified the proposed 3 mill assessment only funds 34% of the Police Department; not 34% of the increase is funding the Police Department.

- Kay Coy, 510 Jewett, stated she was born and raised in Howell and has lived here 58 years. She appreciates Council's service however questioned the rush on moving forward. She would rather have the option to vote on a tax increase that could be tax deductible.
- Ron Gosselin, owner of 7 rental properties in the City, indicated he didn't want to pass on more cost to his tenants, most of which are under signed contracts. It is not right to go behind their backs with a rent increase and he was asking Council to not go behind their backs with a tax increase.
- Sandra Drown, 1380 Lakeside, stated several years ago the residents voted for fire millage and were not told the DDA would get a portion. Now Council is talking about an increase for police and only a small percentage is going to police; she opposes.
- Jeff Krause, 628 North, stated the biggest budget pressure is the retirement cost and questioned if the City could cap the benefit where it is and enroll all new employees in a 401K plan. City Manager Charles responded that this would cause payments to be accelerated.
- Ann Heins, 212 Prospect, stated the City has already budgeted this money. The townships don't want to add police services and Sheriff Murphy has stated he is more than happy to help the City out.

City Manager Charles indicated staff ran out the numbers on contracting with the Sheriff's Department to provide a comparable level of service; the cost would increase a little more than \$1,200 per year.

Mayor Proctor closed the public hearing at 8:49 p.m. and thanked everyone for their comments.

A recess was taken at 8:49 p.m. Mayor Proctor called the meeting back to order at 8:58 p.m.

6. **DENIED – RESOLUTION NO. 18-09 CONFIRMING PUBLIC SAFETY SPECIAL ASSESSMENT ROLL & LEVY**

Mayor Proctor indicated Council appreciates and hears all the comments and thoughts; he requested a motion to start the discussion. MOTION by Niblock, SUPPORT by Ellis, “To adopt Resolution No. 18-09 Approving the Public Safety Special Assessment Roll and Levy for an amount of \$861,482.”

Council Member Niblock stated he has agonized over this issue for many years. The easy thing to do would be to vote it down but sometimes that is not the right thing to do; he has heard the concerns. The City has already cut a lot from the budget and staff over the last 10 years and now there are only 2 options; make drastic cuts or increase revenue. The majority of residents do not want a tax increase however he would rather suffer the wrath from citizens than make the drastic cuts that would change the fabric of the community.

Member Ellis stated this is a very difficult problem that will adversely affect the character and quality of life for citizens. He cannot stand by, do nothing, and watch the City deteriorate. This is the only feasible thing for Council to do.

Member Lobur stated that both sides have valid comments; the City does not have enough money. The Public Safety Assessment is against public opinion; this is not a simple political issue and Council is trying to do the right thing.

Member Manor stated due to constitutional and legislative action, the City has been revenue deprived for the last 10-12 years. They have taken many actions to maintain an adequate level of service including road improvements, adopted a lot of efficiencies and made many cuts. We are now at a crossroads; we can abandon infrastructure improvements and maintain services, or make cuts to services to maintain infrastructure. He has read all the letters/e-mails and he agrees with many of the comments. Contracting with the Sheriff’s Department is not the same level of service and the City would lose control over police operations. He is basing his vote on the best long-term solution for the City as a whole.

Member Mulvahill stated this is extremely difficult and the hardest decision he has had to make. He has heard everyone and understands but is still struggling with the decision. Residents want to put it to a vote however there are consequences.

Member Yost thanked everyone for coming and sharing their concerns. He is new to Council however has been attending meetings for the last couple years and was well aware of the fiscal problems. The ability to write off the special assessment is an issue. The City has looked at cuts; he did support the proposed action however has heard the people. He feels more time is needed to come together as a community, as neighbors and friends.

Mayor Proctor stated he was conflicted. When Council started discussing options a few years ago, he was convinced the proper procedure would be the Headlee

Override however was convinced if pursued it would fail. He was fearful that Council could not sustain the Howell that he loves. Some people would not support any new taxes. The numbers don't lie; all Council members have come to the same conclusion that the current path is not sustainable. Something needs to be done however his confidence has been shaken on the process.

A roll call vote was taken. Niblock – yes, Ellis – yes, Manor – yes, Lobur – no, Yost – no, Mulvahill – no, Proctor – no. MOTION DEFEATED (4-3).

Mayor Proctor indicated the City will pursue a Headlee Override vote, possibly in November, and if it doesn't pass, cuts will have to be made. The budget will have to be revised for the May 21, 2018 meeting and projects will be pushed to the 2019/2020 year. A five minute recess was taken.

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

- Mayor Proctor reported on the April 25, 2018 DDA meeting. The Main Street budget has a \$20,000 shortfall for the 2018/2019 year due to the transition to 501c3 status. DDA Director Edgerly thanked City Council for attending the Applause Awards and commended the volunteers for all their amazing work.

**8. COUNCIL CORRESPONDENCE**

- None.

**9. DISCUSSED – STATE STREET RECONSTRUCTION GRANT**

City Manager Charles stated staff has identified a CDBG grant opportunity for the reconstruction of State Street, estimated at \$2 million, which became available as a result of the Great American Main Street Award. This is a 90/10 grant and the future cost of design and construction engineering is included in the 10% match. They are now seeking input from Council on the scope of the work. Member Niblock stated he would like to defer the decision on spending additional money in light of the previous decision. Member Mulvahill requested the number of lead pipe areas in the application be clarified. Staff will clarify the process with the state to make sure the timing of the grant was going to work.

**10. APPROVED – LIVINGSTON COUNTY SOLID WASTE CHALLENGE GRANT**

MOTION by Niblock, SUPPORT by Lobur, “To authorize the City of Howell to submit, as a partner with Recycle Livingston Inc. as the Primary applicant, for the 2018 Livingston County Solid Waste Challenge Grant Program for the new Recycle Livingston Volunteer Center and authorize the Mayor to sign the application, if needed.” MOTION CARRIED (7-0) .

**11. APPROVED – RESOLUTION NO. 18-10, 2017/2018 BUDGET AMENDMENTS**

MOTION by Manor, SUPPORT by Ellis, “To adopt Resolution No. 18-10, Budget Amendments.” MOTION CARRIED (7-0).

**12. SCHEDULED – 2018/2019 BUDGET PUBLIC HEARING AND TRUTH IN TAXATION**

MOTION by Ellis, SUPPORT by Yost, “To set a public hearing to consider the 2018/2019 City of Howell Budget at 7:00 p.m., Monday May 21, 2018 at Howell City Hall.” City Manager Charles stated the budget revenues and corresponding expenditures would be reduced based on tonight’s action. MOTION CARRIED (7-0).

**13. APPROVED - PAYMENT OF BILLS**

MOTION by Lobur, SUPPORT by Yost, “To approve the payment of bills ending May 7, 2018 in the amount of \$533,506.95 and payroll to cover the period ending May 12, 2018.” Member Ellis questioned the expense of the Balloonfest Mayor’s Pins. MOTION CARRIED (7-0).

**14. CITY MANAGER’S REPORT**

- Tentative date for the joint DDA/City Council meeting is May 30, 2018.
- The repaving on Gregory & Clinton has been completed under warranty work at no cost to the City.

**15. OLD BUSINESS**

- Mayor Proctor questioned the Simple Recycling Program noting the bags are not always picked up. DPS Director Suida stated he will talk to them; the program has been successful with approximately 35% of residents using the service. The City receives a penny per pound. Member Mulvahill stated he has noted they do drive the neighborhoods however a little too fast.
- Mayor Proctor noted the garbage at Dairy Queen was not picked up today.
- Member Manor indicated DTE was doing work at the Courthouse Sunday during Farmers Market. City Manager Charles stated he became aware that they were completing a power switch out at the Courthouse and noted it wouldn’t happen again during Farmers Market. Nancy Brehm expressed concern with the traffic problems experienced during Farmers Market with the expanded area down State Street and no signage on Higgins for the street closure. City Manager Charles noted the DTE project created the traffic problem.

Member Niblock left the meeting at 9:57 p.m.

- Nancy Brehm, 311 State, shared her observations with the public hearing recognizing it was a very difficult decision. The people wanted their voice to be heard and be a part of the decision. She indicated it is not up to the Council to trust the residents, the constituency needs to be able to trust the City Council. The outcome is the same however the people want to have power over where the money is going. She also stated she has nothing more than respect for the Council.

- Member Mulvahill requested the issue of cost sharing for special events be added to a future agenda. Mayor Proctor stated he will be making a proposal on that topic.

**16. NEW BUSINESS**

- Mayor Proctor requested the ballot language for the Headlee Override proposal be drafted very soon.

**17. EXECUTIVE SESSION – PENDING LITIGATION**

Deferred until the May 21, 2018 meeting.

**18. ADJOURN**

MOTION by Ellis SUPPORT by Mulvahill, “To adjourn the regular meeting of the City Council at 10:05 p.m.” MOTION CARRIED (6-0).

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Nick Proctor, Mayor

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Jane Cartwright, City Clerk