

**CITY COUNCIL
121 N CHURCH STREET, HUDSON, MI
REGULAR MEETING
December 07, 2021**

747450:

The regular meeting was called to order by Mayor Carmel Camp at 7:00 pm.

ROLL CALL: PRESENT: Carmel Camp, Rick Moreno, Carl Sword, Pam Ely, and Natalie Loop
ABSENT: Lee Ann Minton and Lee Daugherty

ALSO PRESENT: Rich & Carolyn Halliwill, Barb Ireland – Hudson Post Gazette, Willis Terrill, WWTP Superintendent Ted Hutchison, DPW Superintendent Jay Best, City Treasurer Linda Cross, Chief Ron Keck- Hudson Police Department, City Manager Charles Weir, and City Clerk Jeaniene McClellan

Excuse Absent Members:

747451:

Motion by Rick Moreno, seconded by Pam Ely **to excuse absent members from the meeting.**
CARRIED 5-0 by roll call

Approval of Minutes of November 16, 2021:

At the November 8th meeting Council Member Moreno asked to have the letter from Gary Offenbacher into the minutes.

747452:

Motion by Carl Sword, seconded by Natalie Loop **to approve the minutes from November 16, 2021 and place on file.** CARRIED 5-0 by roll call

PUBLIC COMMENT:

No public comments received.

NEW BUSINESS:

Approve: 25 Year Service Award for Ronald Keck:

On behalf of the citizens of Hudson, the Hudson City Council extends its appreciation for Ron Keck's twenty-five (25) years of dedicated service in the City of Hudson from December 1, 1996 to December 1, 2021.

In accordance with our personnel practices the 25 Year Service Award includes a check in the amount of \$500.00.

747453:

Motion by Carl Sword, seconded by Rick Moreno **present 25-Year Service Award to Ronald B Keck.** CARRIED 5-0 by roll call vote.

Approve: Resolution for Darlene VandeZande:

Darlene VandeZande has served on the City of Hudson Council from December 20, 2016 to November 8, 2021, contributing to the prosperous and orderly development of the City.

Therefore, City Manager, Charles Weir recommends that Council adopt the resolution for Darlene VandeZande, officially commending her for her loyal efforts and dedicated service to the City of Hudson.

747454:

Motion by Rick Moreno, seconded by Pam Ely **adopt the proclamation acknowledging Darlene VandeZande, commending her for her years of dedicated service to the City of Hudson.** CARRIED 5-0 by roll call vote.

Approve: 2022 Council and Planning Commission Dates:

The following proposed meeting dates for the Council and Planning Commission. These dates must be approved by Council and published in a paper of general circulation. The regular City Council meetings are usually at 7:00 p.m. the first and third Tuesday’s of each month, and the regular Planning Commission meetings are at 6:30 p.m. on the fourth Monday of each month.

CITY COUNCIL:

REGULAR MEETINGS: at 7:00 P.M. the FIRST and THIRD Tuesday of each month.

Tentative Dates

January 04	July 19
January 18	August 02
February 01	August 16
February 15	September 06
March 01	September 20
March 15	October 04
April 05	October 18
April 19	November 07
May 03	(1st Monday after Election at 7:00 pm)
May 17	November 15
June 07	December 06
June 21	December 20
July 05	

PLANNING COMMISSION:

REGULAR MEETINGS: 6:30 P.M. on the FOURTH Monday of each month

Tentative Dates

January 24	July 25
February 28	August 22
March 28	September 26
April 25	October 24
May 23	November 28
June 27	December 19

All meetings will be held in the Council Chambers at City Hall, 121 N. Church Street, Hudson, MI and are *subject to change with prior notice given*.

747455:

Motion by Carl Sword, seconded by Natalie Loop **approve the 2022 Council and Planning Commission meeting dates.** CARRIED 5-0 by roll call vote.

Approve: Purchase Lift Station Control Panel for S Church Street:

The lift station control panel at the South Church Street location is in disrepair and unsafe and has been so for several years. The panel is 30 plus years old. Ted has provided three quotes for the replacement of the panel and controls.

USA Bluebook \$4,161.89

Pump Products \$5,578.59

The Tank Depot \$4,677.62

747456:

Motion by Carl Sword, seconded by Natalie Loop **approve the purchase of the electrical control panel and controls, for the South Church Street Lift Station, from USA Bluebook for the quoted amount of \$4,161.89. Funds coming from the 2021 Capital Improvement Bond Funds.** CARRIED 5-0 by roll call vote.

Approve: Purchase of 4 Lift Station Pumps:

As part of the ongoing improvements with the lift stations on South Church Street and Sunrise Meadows, both stations need new pumps. The pumps that are in the lift stations now are almost 14 years old. One pump at Sunrise Meadows does not work, and one of the pumps at South Church Street is having issues with the impeller.

In ideal conditions these pumps have a usual service life of 20 years, but die to material infiltrating in the sewer lines over the years, has been hard on the pumps and other equipment. Wastewater Superintendent Ted Hutchison, has provided three quotes for the 4 pumps needed.

USA Bluebook	\$12,365.60
Grainger	\$19,730.12
Champion Pump Co.	\$21,525.40

747457:

Motion by Natalie Loop, seconded by Rick Moreno **approve the purchase of four sewage pumps, from USA Bluebook for the quoted amount of \$12,365.60. Funds coming from the 2021 Capital Improvement Bond Fund.** CARRIED 5-0 by roll call vote.

Approve: Budget Amendments for Fiscal Year 2021-2022:

Once again, as we go through the process of adjusting, making corrections and getting a better handle on the finances of the City, it is necessary to make budget amendments in several areas of budget. The budget amendments were discussed in more detail at the Council Committee of the whole meeting on November 23, 2021. Council will have to approve the amendments by resolution.

City of Hudson
County of Lenawee
State of Michigan

RESOLUTION
AMENDMENT TO FISCAL YEAR 2021 - 2022 BUDGET

At a regular meeting of the City Council of the City of Hudson, County of Lenawee, State of Michigan, held at 121 N. Church Street, Hudson, MI 49247, in said city on Tuesday, December 7, 2021 at 7:00 p.m.

Present:

Absent:

The following preamble and resolution was offered by Councilmember _____, and supported by Councilmember _____.

WHEREAS, the City of Hudson City Council feels that it is in the best interest of the City to amend the entire Fiscal Year 2021 – 2022 Budget to meet various revenues and expenses that have been realized in the fiscal year.

NOW THEREFORE BE IT RESOLVED, that the enclosed spreadsheet reflect the amended budget for Fiscal Year 2021 – 2022.

Upon vote for the adoption of the resolution, the vote was

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Carmel Camp
Mayor

Jeaniene McClellan
City Clerk

TO: Hudson City Council

FROM: Michael Sessions

DATE: 11/22/2021

SUBJECT: Budget Amendments for Fiscal Year 2021 – 2022

Due to the requirements from the State of Michigan’s Department of Treasury, City Manager Charlie Weir and I have put together budget amendments for the City of Hudson that provide a better overlook for the rest of the fiscal year, along with the succeeding two (2) fiscal years. This budget amendments do the following:

- *Pay Increases:* There are no pay increases built into this budget for January 1, 2022. The pay increases are built into the budget starting with the next fiscal year on July 1, 2022. What is built into the budget, though, is the payment of accrued personal time off (PTO) to employees that City Manager Weir has brought to the Hudson City Council for consideration.

It should be noted that while the City of Hudson has experienced financial issues the past year, it is important to keep employee compensation in mind. A quick look at the Michigan Municipal League (MML) website yields the following pertaining to employee wages and open jobs:

<u>Municipality</u>	<u>Position</u>	<u>Wages</u>
City of Belding (population of 5,757)	City Manager	\$88,000.00 to \$103,000.00
City of Beaverton (population of 1,071)	City Manager	\$65,000.00 to \$75,000.00
City of Croswell (population of 2,447)	City Manager	\$90,000.00 to \$105,000.00
City of Swartz Creek (population around 6,000)	DPW Laborer	\$20.80 to \$24.15 an hour
City of Grand Ledge (population around 8,000)	DPW Laborer	\$20.68 to \$27.87 an hour
Village of Middleville (population around 4,000)	Wastewater Superintendent	\$50,000.00 a year plus

There is also at least 50 job postings on the Michigan Commission of Law Enforcement Standards (MCOLES) website where communities are looking for police officers. These wages range anywhere from \$19.00 an hour to \$25.00 an hour. The postings on the MCOLES website include agencies as large as the City of Detroit Police Department and the Michigan State Police.

In addition to that, please find a copy of the article from the Detroit Free Press today outlining staffing issues and funding issues with providing EMS services. What is most concerning is that throughout the state there used to be 700 to 1,000 EMS workers licensed and trained a year. It's now down to 100 workers a year. The article is eye opening and should concern everyone.

The point of this is that in order to attract qualified individuals into municipal government, then municipalities and the decisionmakers making the decisions will need to award and pay those employees. If not, it will become even harder to recruit and retain employees.

- *Accounts for Capital Improvement Bond Revenue and Payment of Bond:* The budget amendments account for the revenue from the Capital Improvement Bond and the payment of the bond back for the next two (2) years. It should be noted that an excess of revenue is likely from the bond, as the funds that were allocated towards lift station improvements likely will not be expended during this fiscal year. Year 2 and Year 3 for this fund will be adjusted as the budget progresses.
- *Purchases at Wastewater Treatment Plant:* Funds have been added to allow for the purchase of a new ultraviolet light that will need to be purchased soon.

As for some changes, the following were changed from the document that was last presented to you for the November 16, 2021 meeting:

- *Revenue Sharing:* This has increased as the total amount of revenue sharing that has been being realized every two (2) months is around \$53,000.00. This brings the total estimated number up to \$300,000.00, as there could be a payment that isn't around \$53,000.00.
- *Property Taxes:* This has also been increased to \$240,000.00. This is based on the latest report that we ran showing that if we were to do a settlement meeting with Lenawee County then we would realize \$240,000.00 in property tax revenue for the year.
- *Administrative Revenue:* This is up about \$3,000.00 due to the need to reimburse for time of the City of Hudson's Department of Public Works (DPW) back to the General Fund for maintaining the Community Center.

City Manager Weir and I are proud that the budget amendments that are being proposed for a greater discussion do show a stable path to stability. After Year 1, we are anticipating the following fund balances:

**City of Hudson
2021-2022 Fiscal Year Budget
Final Budget
Department Totals**

FUND #	DEPARTMENT / FUND	Ending Fund Balance for 6/30/21	REVENUES	page	EXPENSES	page	DIFF - (-)	Anticipated Fund Balance for 6/30/22
101	GENERAL FUND	\$268,918	\$1,683,538	1	\$1,894,754	9-16	-\$211,217	\$57,702
202	MAJOR STREETS	-\$11,911	\$268,990	2	\$148,024	17-18	\$120,966	\$109,055
203	LOCAL STREETS	\$33,164	\$119,020	2	\$97,635	19-20	\$21,385	\$54,549
205	THOMPSON MUSEUM FUND	\$12,362	\$0	N/A	\$0	N/A	\$0	\$12,362
206	FIRE DEPARTMENT	\$53,150	\$141,056	3	\$112,901	21	\$28,155	\$81,305
208	RECREATION	\$18,175	\$1,750	3	\$13,004	22	-\$11,254	\$6,921
209	CEMETERY	\$35,340	\$21,540	4	\$50,345	22	-\$28,805	\$6,536
210	AMBULANCE	-\$115,776	\$747,560	4	\$629,849	23	\$117,711	\$1,935
211	COMMUNITY CENTER	\$347	\$25,460	5	\$20,580	24	\$4,880	\$5,227
271	TOWN CLOCK FUND	\$12,058	\$0	N/A	\$0	N/A	\$0	\$12,058
273	MUSEUM	\$849	\$11,700	5	\$8,110	25	\$3,590	\$4,439
410	D D A	\$7,000	\$3,805	5	\$2,300	26	\$1,505	\$8,505
412	INDUSTRIAL PARK	\$14,652	\$7,500	6	\$2,500	26	\$5,000	\$19,652
444	CAPITAL IMPROVEMENT BOND	\$0	\$750,000	6	\$750,000	26	\$0	\$0
450	SIDEWALKS	-\$17,934	\$20,520	6	\$2,500	27	\$18,020	\$86
590	UTILITIES	-\$461,280	\$1,294,574	7	\$829,439	27-30	\$465,134	\$3,854
640	MOTOR VEHICLE	\$169,107	\$116,000	7	\$104,567	31	\$11,433	\$180,540
704	INCOME TAX	\$18,032	\$666,901	8	\$563,544	32	\$3,357	\$21,390
TOTALS		\$36,253	\$5,779,914		\$5,230,051		\$549,862	\$586,115

This is incredible in light of what we were dealing with in April and May where we could hardly make payroll every other week. These budget amendments decrease the fund balance in each fund except for the General Fund and the Cemetery Fund. The reasons are this:

- *General Fund:* Due to the Tax Anticipation Note being taken out in May 2021, the City of Hudson was not able to capture 100 percent of its tax revenue for the fiscal year. After reviewing the delinquent tax account reports, it's safe to say that \$240,000.00 will be realized in tax income.
- *Cemetery Fund:* The Cemetery Fund has relied on transfers from the General Fund to sustain it. No transfer from the Cemetery Fund is planned this fiscal year.

The funds that needed the most attention – Ambulance and Utilities – have received the attention that was needed to help them get out of their negative cash balances by the end of the fiscal year. This isn't to say that these funds will not continue to need help. They will. These two (2) funds have historically not been doing well in the past few audits, so help in the form of water and sewer rates and transfers from the Income Tax Fund will continue to be needed.

It should be noted that the Utility Fund is still anticipating the transfer of Income Tax Fund dollars for half of the bond payments, however, the bond payments, with the exception of the April 2022 interest

payments, are coming from the Capital Improvement Bond Fund. Due to the expected transfer from the Income Tax Fund and the fact that the bond payment in October was paid for by Capital Improvement Bond Fund dollars, this is what equates to the large surplus in the Utility Fund. Without these two (2) events going on, it would be unlikely that the Utility Fund would be able to go into a positive cash state.

The situation becomes even better in Year 2 under these projections. In Year 2, we project the following:

In this fiscal year, we find the Water Treatment Plant Bond fully paid off in October 2022, however, despite this, the Water Treatment Plant Bond surcharge will need to likely be rolled over into the willingness to service charge for water. Inflationary increases will also need to be made to water and sewer rates, as well. There are a few reasons for this:

- The Water Treatment Plant Bond surcharge currently generates around \$101,052.00 a year.
- Without the \$101,052.00 in revenue, the Utility Fund will go back into a negative cash state and all of the progress of the past year will be wiped out.
- Without inflationary increases, you will, once again, continue to underfund the Utility Fund and will not be able to keep up with rising prices for employees and materials.

It should be noted that City Clerk Jeanine McClellan has done a lot of research on the bond revenue. She is correct when she states that the bond revenue has been grossly understated and the actual bond revenue for the payments is lower than what would it should have been to pay these bonds back.

**City of Hudson
2022-2023 Fiscal Year Budget
Final Budget
Department Totals**

FUND #	DEPARTMENT / FUND	Anticipated Fund Balance for 6/30/22	REVENUES	page	EXPENSES	page	DIFF - (+)	Anticipated Fund Balance for 6/30/23
101	GENERAL FUND	\$57,702	\$1,964,385	1	\$1,849,057	9-16	\$115,328	\$173,030
202	MAJOR STREETS	\$109,055	\$276,364	2	\$150,917	17-18	\$125,437	\$234,492
203	LOCAL STREETS	\$54,549	\$121,702	2	\$101,345	19-20	\$20,357	\$74,906
205	THOMPSON MUSEUM FUND	\$12,362	\$0	N/A	\$0	N/A	\$0	\$12,362
206	FIRE DEPARTMENT	\$81,305	\$161,056	3	\$162,974	21	-\$1,918	\$79,387
208	RECREATION	\$6,921	\$1,750	3	\$750	22	\$1,000	\$7,921
209	CEMETERY	\$6,536	\$46,040	4	\$51,052	22	-\$5,012	\$1,523
210	AMBULANCE	\$1,935	\$699,560	4	\$677,736	23	\$21,824	\$23,760
211	COMMUNITY CENTER	\$5,227	\$25,460	5	\$20,580	24	\$4,880	\$10,107
271	TOWN CLOCK FUND	\$12,058	\$0	N/A	\$0	N/A	\$0	\$12,058
273	MUSEUM	\$4,439	\$11,700	5	\$8,110	25	\$3,590	\$8,029
410	D D A	\$8,505	\$3,805	5	\$2,300	26	\$1,505	\$10,010
412	INDUSTRIAL PARK	\$19,652	\$7,500	6	\$2,500	26	\$5,000	\$24,652
444	CAPITAL IMPROVEMENT BON	\$0	\$76,000	6	\$76,000	26	\$0	\$0
450	SIDEWALKS	\$88	\$13,620	6	\$2,500	27	\$11,020	\$11,108
590	UTILITIES	\$3,854	\$1,300,796	7	\$1,260,796	27-30	\$40,000	\$43,854
640	MOTOR VEHICLE	\$180,540	\$116,000	7	\$105,743	31	\$10,257	\$190,797
704	INCOME TAX	\$21,390	\$566,901	8	\$555,033	32	\$11,868	\$33,258
	TOTALS	\$586,116	\$5,392,529		\$5,027,393		\$365,136	\$951,251

It should also be noted that in order to ensure that the Ambulance Fund has a positive cash state, it is relying on significant transfers from the Income Tax Fund to keep it in the positive. If the transfers were to not happen, the same as I have stated with the Utility Fund would happen with the Ambulance Fund. The Income Tax Fund is also assisting the Fire Fund to ensure that the Fire Fund’s cash state stays positive.

In Year 3, we see further growth, but what is stated for Year 2 is the same for Year 3. The Utility Fund will need to recover the revenue that is coming from the Water Treatment Plant Bond or that fund will revert back to a negative cash state. Same is true about the transfers for the Fire Fund and Ambulance Fund.

Year 3 looks like this:

**City of Hudson
2023-2024 Fiscal Year Budget
Final Budget
Department Totals**

FUND #	DEPARTMENT / FUND	Anticipated Fund Balance for 6/30/22	REVENUES	page	EXPENSES	page	DIFF - (-)	Anticipated Fund Balance for 6/30/24
101	GENERAL FUND	\$173,030	\$1,903,661	1	\$1,891,875	9-16	\$11,786	\$184,816
202	MAJOR STREETS	\$234,492	\$283,938	2	\$157,164	17-18	\$126,774	\$361,266
203	LOCAL STREETS	\$74,906	\$124,464	2	\$105,278	19-20	\$19,187	\$94,093
205	THOMPSON MUSEUM F	\$12,362	\$0	N/A	\$0	N/A	\$0	\$12,362
206	FIRE DEPARTMENT	\$79,387	\$161,056	3	\$164,493	21	-\$3,437	\$75,949
208	RECREATION	\$7,921	\$1,750	3	\$750	22	\$1,000	\$8,921
209	CEMETERY	\$1,523	\$53,040	4	\$51,803	22	\$1,237	\$2,761
210	AMBULANCE	\$23,760	\$699,560	4	\$692,929	23	\$6,631	\$30,391
211	COMMUNITY CENTER	\$10,107	\$25,460	5	\$20,580	24	\$4,880	\$14,987
271	TOWN CLOCK FUND	\$12,058	\$0	N/A	\$0	N/A	\$0	\$12,058
273	MUSEUM	\$8,029	\$11,700	5	\$8,110	25	\$3,590	\$11,619
410	D D A	\$10,010	\$3,805	5	\$2,300	26	\$1,505	\$11,515
412	INDUSTRIAL PARK	\$24,652	\$7,500	6	\$2,500	26	\$5,000	\$29,652
444	CAPITAL IMPOVEMENT	\$0	\$76,000	6	\$76,000	26	\$0	\$0
450	SIDEWALKS	\$11,100	\$13,520	6	\$2,500	27	\$11,020	\$22,126
690	UTILITIES	\$43,854	\$1,286,683	7	\$1,216,605	27-30	\$70,078	\$113,932
640	MOTOR VEHICLE	\$190,797	\$116,000	7	\$108,049	31	\$7,951	\$198,748
704	INCOME TAX	\$33,258	\$566,901	8	\$524,976	32	\$41,925	\$75,182
TOTALS		\$951,251	\$5,336,039		\$5,025,911		\$309,127	\$1,260,378

City Manager Weir and I have created a three (3) year plan for financial stability. The plan allows for some wiggle-room, in the form of Major and Local Street dollars, to perform general maintenance items up to mill and overlays of streets. Unfortunately, the plan does not allow for complete reconstructs all of the way down to water and sanitary mains on those streets. This plan also allows for considerations to be given to employees of the City of Hudson to ensure the City of Hudson is able to recruit and retain employees.

I will be at the Council Committee of the Whole Meeting to discuss in further detail.

747458:

Motion by Carl Sword, seconded by Natalie Loop **approve budget amendments for the fiscal year budget 2021-2022.** CARRIED 5-0 by roll call vote.

Approve: Corrective Action / Deficit Elimination Plan Michigan Department of Treasury:

The City received two letters from the Michigan Department of Treasury dated October 21, 2021. Both of these letters are in response to the findings in the City's 2020-2021 audit that was recently completed and forwarded to the Treasury.

The first letter is requesting a Corrective Action Plan two deficiencies noted in the audit.

1. Expenditures have exceeded revenues for the past three years. Please provide an explanation to the trend.
2. Bank Reconciliations were not performed timely. Provide a bank reconciliation for the last month reconciled for the account(s) in question.

The second letter is requesting a Deficit Elimination Plan noting two of the City's funds, Ambulance, and Utilities Funds, are in the negative. Ambulance (-19,002.00) and the Utility Fund (-300,729.00).

The City has not submitted the Plans to the Michigan Department of Treasury by November 21, 2021 deadline and the City has received a Final Notice of Delinquency for the Deficit Elimination Plan and a second notice for the Corrective Action Plan. Council wanted to look further into the budget before submitting the plans to the State Treasury. At the Council Committee of the Whole meeting on November 23, 2021 budget amendments were presented and the plans were discussed.

Mr. Sessions and City Manager Charles Weir has prepared the requested documents, and Charles Weir has drafted the City letters in response to the State Treasury letters. He believes the City Plans are ready to be submitted to the Department of Treasury once the plans are approved by Council.

747459:

Motion by Carl Sword, seconded by Pam Ely **approve the Corrective Action Plan & the Deficit Elimination Plan for the Fiscal year 2021, and forward to the State of Michigan Treasury.** CARRIED 5-0 by roll call

Approve: Annual Guideline for Poverty Exemption:

P.A. 253 was enacted on December 23, 2020 and modified guidelines for approving poverty exemptions. State Law (MCL 211.7u) requires local units of government to annually adopt a policy used to approve or deny poverty exemptions. The Department of Health and Human Services set the poverty guidelines annually. The attached policy resolution is for 2022, and incorporates the changes required by P.A. 253.

CITY OF HUDSON**Guideline Resolution for Poverty Exemption**

2022 Tax Year, Resolution #_____

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City Council;
and

WHEREAS, the principal residence of persons who, in the judgement of the Board of Review, by reason of poverty, are unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Hudson, Lenawee County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the immediately preceding year;

To be eligible, a person shall do all the following on an annual basis;

- 1) Be an owner of and occupy as the principal residence for the property which an exemption is requested.
- 2) File a claim with the Board of Review, accompanied by federal and state income tax returns for all persons residing in the household, including any property tax credit returns filed in the immediately preceding year or a signed State Tax Commission Form 4988, *Poverty Exemption Affidavit*, stating you are not required to file a federal or state income tax return.
- 3) File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services. See Exhibit A
- 7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. Hardship relief if granted is for one year only, in the year of application.

- 8) Assets, not including household furnishings and personal effects, shall not exceed \$50,000 and applicant may not have ownership interest in any real estate other than the principal residence.
- 9) If a person claiming the poverty exemption meets all eligibility requirements, the board of review shall grant the poverty exemption, in whole or in part, as follows:
1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
 2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
 3. A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

Applications may be reviewed by the Board of Review without the applicant being present. However, the Board may request that any or all applicants be physically present to respond, under oath, to any questions the Board may have.

In granting hardship exemptions, the Board of Review realizes this to represent a shift of that portion of the tax burden to the other taxpayers of the community and state.

The Board of Review may grant relief within the following guidelines:

- For applicants at or below the 2022 Federal Poverty Guidelines, 100% relief shall be granted.
- For applicants between 100% and 125% of the 2022 Federal Poverty Guidelines, 50% relief shall be granted.
- For applicants between 125% and 150% of the 2022 Federal Poverty Guidelines, 25% relief shall be granted.
- For applicants above 150% of the 2022 Federal Poverty Guidelines, 0% relief shall be granted.

EXHIBIT A

FEDERAL POVERTY INCOME STANDARDS FOR 2022 ASSESSMENTS The following are the federal poverty income standards as of December 31, 2021 for use in setting poverty exemption guidelines for 2022 assessments.

Size of Family Unit Poverty Guidelines

Size of Family or Household	2022 Poverty Guidelines 100% Relief	2022 Poverty Guidelines 50% Relief Greater than 100% but equal to or less than 125% of Federal Guidelines	2022 Poverty Guidelines 25% Relief Greater than 125% but equal to or less than 150% of Federal Guidelines
1	\$ 12,880	\$16,100	\$19,320
2	\$ 17,420	\$21,775	\$26,130
3	\$ 21,960	\$27,450	\$32,940
4	\$ 26,500	\$32,750	\$39,300
5	\$ 31,040	\$38,800	\$46,560
6	\$ 35,580	\$44,475	\$53,370
7	\$ 40,120	\$50,150	\$60,180
8	\$ 44,660	\$55,825	\$66,990
For each additional person	\$4,540	\$5,675	\$6,810

747460:

Motion by Natalie Loop, seconded by Rick Moreno **approve the Resolution adopting the 2022 Annual Guidelines for Poverty Exemptions.** CARRIED 5-0 by roll call

Approve: Settlement Agreement and Release of Claims with Steven W Hartsel:

City Attorney Eric White has been in contact with Mr. Hartsel's Attorney, Donald Gasiorek, working on the details of a settlement with Mr. Hartsel due to his termination with the City. Council has been in closed session on two occasions discussing options for a settlement.

On November 23, 2021 Charles Weir received an email letter and Settlement Agreement from Mr. White, regarding the terms of a settlement between the City of Hudson and Mr. Hartsel. He forwarded the documents to Council members emails that day. Council will need to formally approve the agreement before it can be executed.

Summary of the agreement:

General Release;

In consideration of the settlement payment and other obligations of the agreement, Hartsel releases and forever discharges Hudson and those entities identified in paragraph 1.b, As used in this agreement, the City of Hudson includes the municipal corporation itself and that corporation's officers, employees, agents attorneys, and other representatives of any of these entities.

Settlement:

The parties mutually agree as follows:

Promptly following the execution of this agreement, Hudson must cause to be paid to Hartsel

and his counsel the sum of \$26,392.34 as full and final settlement of this matter (settlement payment). The payment shall be made as follows: \$17,594.90 payable to Hartsel and \$8,797.44 to the law firm of Gasiorek, Morgan, Greco, McGauley & Kotzian P.C.

747461:

Motion by Carl Sword, seconded by Rick Moreno **approve and sign the settlement agreement and release of claims, between the City of Hudson and Steven W Hartsel, and issue two checks in the total amount of \$26,392.34, to Mr. Steven W. Hartsel and his legal counsel, Gasiorek, Morgan, Greco, McGauley & Kotzian P.C. after the City receives the sign documents.** CARRIED 5-0 by roll call

Approve: City Manager Contract with Charles A Weir:

City Council appointed Charles Weir to the Interim City Manager position April 24th of this year to fill in the vacancy of the position to assist with managing the City under some difficult circumstances that the City was and is currently experiencing.

October 5, 2021 Council approved appointing him as the City Manager pending a formal Employment Agreement being executed. Council formed a sub-committee to draft a Employment Agreement between the City of Hudson and Mr. Weir. With input from Mr Weir, the sub-committee and the City Attorney, the Employment Agreement was drafted.

Council will have to formally agree to the Employment Agreement and its signing.

747462:

Motion by Pam Ely, seconded by Natalie Loop **to approve to sign the Employment Agreement between the City of Hudson and Charles A. Weir, as the City Manager.** CARRIED 5-0 by roll call

Approve: Memorandum of Understanding between the City of Hudson and DHS:

With the essential water and sewer rate increases the City has in place, we know that there are low income residents and families in Hudson that are having some difficulties with paying the water and sewer bills.

The Michigan Department of Health and Human Services and the Community Action Agency have funds to assist low income households pay their water bills. To help get the funds to the low income households, the Michigan Department of Health and Human Service is requesting that water and sewer providers sign a Memorandum of Understanding which explains in detail each parties responsibilities.

Mr. Weir has read through the MOU and noted a few things that the City may be concerned about.

First concern is not to disconnect service for 90 days after payment is received on behalf of the customer.

Secondly, that the household not charged anymore than the difference between a normal charge for the service and the payment amount received or expected from MDHHS or the CCA/

This MOU will expire September 30, 2023.

747463:

Motion by Carl Sword, seconded by Pam Ely **approve the Memorandum of Understanding with the Michigan Department of Health and Human Services and the Community Action Agency for participation in the Low Income Household Water Assistance Program and authorize the City Manager to sign the agreement.** CARRIED 5-0 by roll call vote.

UNFINISHED BUSINESS:

Bills:

Bills to Council
December 7, 2021

Bills to be Approved

Renius & Renius	\$1,512.50	Assessing Services for November 2021
Total	\$1,512.50	

Bills to be Confirmed

Blue Cross	\$29,688.39	December 2021 Employees Health Insurance
Lincoln Life Insurance	\$1,158.98	December 2021 Employees Life Insurance
Modern Waste Systems	\$9,616.50	November 2021 Refuse Service
Bound Tree	\$1,196.68	Medical Supplies for Hudson Ambulance Service
Briner Oil Company	\$3,040.87	646 gallons of Gasohol and 501 gallons of Diesel
Lenawee County Clerk	\$1,451.37	November 2, 2021 General Election
Next Generation Automotive	\$1,091.33	2017 chevrolet silverado (brakes, rear pinion seal)
Total	\$47,244.12	

747464:

Motion by Carl Sword, seconded by Natalie Loop **to pay the bills.** CARRIED 5-0 by roll call vote

Account Balances:

General Fund	\$377,579.96
Cemetery Trust Fund	\$ 2,262.45
Major Street Fund	\$ 55,327.59
Local Street Fund	\$ 49,909.42
Fire Department Fund	\$ 54,505.19
Recreation Fund	\$ 6,018.40
Cemetery Foundation	\$ 23,603.09
Ambulance	\$ 18,209.69
Community Center	\$ 13,791.89
Thompson Museum Fund	\$ 57,662.33
Library Fund	\$ 12,047.65
Thompson Library Fund	\$ 0.00
Museum Fund	\$ 43,259.62
Downtown Development	\$ 8,299.32
Industrial Park Fund	\$ 14,651.52
L D F A	\$ 0.00
2021 Capital Improvement Bond Fund	\$257,390.46
Sidewalk Fund	\$ 2,565.98
Utilities Fund	(\$224,234.08)
Motor Veh and Equip Fund	\$206,047.73
Property Tax Collection	\$ 14,750.06
Income Tax Fund	\$ 23,036.23

747465:

Motion by Carl Sword, seconded by Rick Moreno **to accept the Account Balances & Check Register and place on file.** CARRIED 5-0 by roll call vote

747466:

Motion by Rick Moreno, seconded by Natalie Loop **to accept the Revenue Expenditure Report and place on file.** CARRIED 5-0 by roll call vote

MINUTES FROM OTHER BOARDS AND COMMISSIONS:**747467:**

Motion by Carl Sword, seconded by Rick Moreno **to accept the Planning Commission minutes dated August 23, 2021 and September 27, 2021 and place on file.** CARRIED 5-0 by roll call vote

MANAGER’S REPORT:

- Full-Time Police Officer Position has been posted on the Michigan Commission on Law Enforcement Standards. MCOLES
- Charles Weir will be attending a Rate Study Workshop training in Lansing January 19th and 20th to assist with the City’s annual review of water and sewer rates.
- DPW is almost done with the leaf pickup.
- Linda Cross and Charles Weir had to reschedule their meeting with County Prosecutor Burke Castleberry about the income tax ordinance violations. We will be meeting the week of December 12th.
- EAGLE will be doing the annual inspection at the WWTP on Wednesday.
- The Christmas Parade and Tree Lighting went very well despite the rain/snow mix. A big thank you to all that participated and helped make it happen. Thank you to Mayor Camp who spearheaded the event and to the DTE Foundation with their generosity with funding the event.

COUNCIL COMMENTS:

ADJOURNMENT:

747468:

Motion by Rick Moreno, seconded by Pam Ely to **adjourn the meeting at 7:51 pm**

APPROVED: _____
Carmel Camp, Mayor

ATTEST: _____
Jeaniene McClellan, City Clerk