CITY COUNCIL MEMBERS
Kate Henson, Mayor
Tony Iannelli, Mayor Pro Tem
Sam Angus
Jacquelyn Bullerman
Eric Keaton
George Merkel
Felix Stump

CITY OF CHELSEA
REGULAR COUNCIL MEETING
MONDAY, NOVEMBER 9, 2026, AT 7:00 PM
311 S. MAIN ST.
CHELSEA, MI 48118

INTERIM CITY MANAGER
Marc Thompson

CITY CLERK
Lyn Sebestyen

DEPUTY CLERK
Ashley Money

Call to Order

Present: Mayor Henson, Council Members Angus, Bullerman, Iannelli, Keaton, Merkel, Stump, Interim City Manager Thompson, Clerk Sebestyen
Absent:

Mayor Henson called the meeting to order at 7:00 p.m.

Pledge of Allegiance to the Flag of the United States

Approval of Consent Agenda

1. Meeting Minutes of October 19, 2026
2. Approval of Bills
3. Chelsea District Library October Report
4. Approval of Purchase of Wire from Powerline Supply
5. Approval of Sale of Surplus Property – 2008 F 250

MOTION Iannelli SECONDED Stump to approve the items on the consent agenda. All ayes. Motion carried.

Approval of Regular Agenda

MOTION Angus SECONDED Keaton to approve the regular agenda. All ayes. Motion carried.

Public Comments

Gaye Morgenthaler, a resident of Chelsea, spoke to Council about President Trump allowing the mid-term elections to move forward despite the compromised voter rolls and illegal equipment. She went on to discuss executive orders relating to voter requirements that she hopes does not affect Clerk Sebestyen and then spoke about the number of votes that had been stolen from President Trump in this current election. Ms. Morgenthaler then spoke about Defense Secretary Hegseth's orders to guard this election, his failure to do so, and the call for his impeachment.

Ms. Morgenthaler also spoke about the Plante Moran annual audit findings and went on to question City Manager Thompson and Mayor Henson about those findings.

Kelsey Cohen, a resident from Sylvan Township, was present to speak to Council about a volunteer group, Chelsea Area Mutual Aid. One goal of the group is to select a project to serve the community. One such project is to provide free community childcare to parents during Department of Education and City Council meetings so that those parents may attend. The pilot program starts in two weeks and is open to everyone ages 2-12. The group is partnering with St. Paul's Church.

Presentation

1. Plante Moran Fiscal Year 2025-2026 Annual Audit

   Keith Szymanski and Drew Kroll of Plante Moran were on site to present the Fiscal Year 2025-2026 Annual Audit. The City was awarded an unmodified opinion and a clean audit report, which is the highest level of assurance they can give to a set of financial statements. Mr. Szymanski spoke to one small item related to segregation of duties that staff has already worked on correcting.

Public Hearing

Council Business

1. Acceptance of Housing Commission Recommendations (Council Member Keaton

   The Housing Commission was formed to advise the Chelsea City Council to help build more housing, add density, rehabilitate existing stock, and address affordability throughout the community. The Housing Commission presented recommendations responding to this charge and the state of Michigan's bipartisan push to create more attainable housing.

   MOTION Stump SECONDED Keaton to accept the Housing Commission recommendations and to direct staff to review those recommendations and move forward. All ayes. Motion carried.

2. Adoption of Resolution #2026-46 Appointments to Chelsea Area Construction Agency (Mayor Henson)

   The former City Manager was appointed Member Representative to the Chelsea Area Construction Agency, with the Utility Director as alternate. Since her departure, staff is recommending the appointment of Utility Director Derik Bollinger as Member Representative and Water Superintendent John Powell as alternate.

   MOTION Merkel SECONDED Iannelli to adopt Resolution #2026-46 appointing Derik Bollinger as Member Representative and John Powell as Alternate Member Representative to the Chelsea Area Construction Agency. All ayes. Motion carried.

3. Approval of Chelsea Area Fire Authority Lease (Manager Thompson)

   This is a renewal of the lease between the City of Chelsea and the Chelsea Area Fire Authority (CAFA) of the city-owned property at 200 West Middle Street.
   The payment from CAFA to the City is $1.00/year and includes only minor changes from the prior lease. The proposed lease is for 5 years with an option to renew for an additional 5 years upon agreement of the parties.

The proposed lease agreement includes requirements that CAFA provide property and liability insurance, naming the City as an additional insured.

MOTION Keaton SECONDED Bullerman to authorize a lease agreement between the City of Chelsea and the Chelsea Area Fire Authority for the property at 200 West Middle Street. All ayes. Motion carried.

4. Approval of WAVE Skip the Line Program (Manager Thompson)

   The City of Chelsea, Washtenaw Area Value Express (WAVE), and the Chelsea School District have been in discussions about traffic congestion caused by student drop-off in the mornings. As a result, the City of Chelsea, Washtenaw Area Value Express (WAVE), and the Chelsea School District are creating a "Skip the Line" pilot program where parents can drop their children off at a specific "hub," and riders can catch a school bus to their respective schools.

   For the duration of the pilot, WAVE will maintain ridership data to present to the WAVE Board. This agreement would run through the end of the school year, June 30, 2027. Either party may terminate the agreement with 14 days' notice.

   The primary purpose is to reduce traffic congestion and improve safety related to preschool traffic.

   This item was initially introduced at the September 28 meeting of the City Council. Modifications to the proposed contract, Item 5c., more clearly defining payment, and Item 8 regarding termination have been included in the revised, attached contract.

   MOTION Stump SECONDED Keaton to approve the Skip the Line Pilot Program with Washtenaw Area Value Express for one year in an amount not to exceed $24,180. All ayes. Motion carried.

5. Adoption of Resolution #2026-45 Assignment of Delinquent Stormwater (Director Allison)

   Chapter 32, Article 5, Section 979, Code of Ordinance in the City of Chelsea's Charter allows for delinquent stormwater bills to be entered as a lien on the Winter tax roll. Before placing a lien on the tax roll, staff provided multiple notices of non-payment to the property owners. The stormwater page on the City's website: www.city-chelsea.org/planning&zoning/stormwater can provide additional details. I propose we pass Resolution #2026-45: Assignment of 2026 Delinquent Stormwater Billings onto the 2026 Winter Tax Roll

MOTION Keaton SECONDED Bullerman to adopt Resolution #2026-45: Assignment of 2026 Delinquent Stormwater Billings onto the 2026 Winter Tax Roll. All ayes. Motion carried.

6. 2027 Capital Improvement Bonds and Rate Structure Discussion (Director Allison)

   At the March 23rd, 2026, Council meeting, Council adopted Resolution 2026-16 Notice of Intent to Issue Capital Improvement Bonds at $11,750,000. Since this resolution has passed, City management has identified additional needs in our Water and Sewer systems that would require the bond issuance to be raised to $15,000,000.

   The City of Chelsea is pursuing a capital improvement bond to make numerous improvements to our Water and Sewer Utility System. As obtaining a capital improvement bond will increase the debt position in the Water and Sewer Funds, we are contracted with Bendzinski & Co. to conduct a comprehensive utility rate analysis. The product of this rate analysis will give City Council recommendations regarding what Water and Sewer Utility rates should be to ensure sufficient revenues are generated to support ongoing operations, infrastructure, maintenance, future capital investments, and this proposed capital improvement bond.

7. Approval of Renewal Agreement with HydroCorp (Superintendent Powell)

   In 2018, the Water Department contracted with HydroCorp to inspect backflow prevention devices at all industrial, commercial, and institutional properties within the City. The purpose of the program is to help protect the City's public water supply by ensuring that backflow prevention devices are properly inspected and maintained. In 2024, the Michigan Department of Environment, Great Lakes, and Energy (EGLE) expanded the City's compliance obligations to include inspections of residential irrigation backflow prevention devices. To meet these requirements, the Water Department entered into a two-year agreement with HydroCorp to perform the additional residential inspections.

   Both agreements are scheduled to expire in December 2026. The Water Department is seeking to renew its agreement with HydroCorp for an additional three-year term to maintain continuity in the inspection program and support ongoing compliance with applicable state requirements.

   The city currently has 611 accounts subject to the backflow inspection program, including industrial, commercial, institutional, and residential accounts. Renewing the agreement will allow the city to continue coordinating inspections across these account categories and maintain a consistent approach to protecting the public water supply and meeting regulatory obligations.

MOTION Angus SECONDED Stump to approve the three-year renewal agreement with HydroCorp for a total of $48,901.73. All ayes. Motion carried.

Staff Reports
Manager Thompson reported that the City's sidewalk contractor was finishing work in Belser Estates and then moving into the Chelsea Ridge neighborhood. He also reported 1 power outage in October due to a squirrel. He praised the staff for their good work but noted the retirement of Harry Policht, who worked for the City for the last 19 years and was well respected.

Manager Thompson then went on to speak about the audit and the positive improvements from last year in the Finance Department, largely due to Director Leland Allison and Interim Director Tracy Watkins. This coming Friday will be Tracy's last day. He thanked the Clerk, Deputy Clerk, and Election Inspectors for their work at the November 3rd election. Finally, he spoke about the upcoming work session with the Michigan Public Power Association and another work session relating to the utility rate structure.

Council Reports
Council Member Iannelli attended the Western Washtenaw Recycling Authority meeting on October 28th. They received feedback from Sylvan Township regarding their offer for services. The new truck has been delivered and is in service. In December, they will be reviewing commercial contracts and the 2027 budget. The Planning Commission met on November 3rd and discussed mixed-use development standards, downtown parking requirements, and parking credits for bicycle parking and solar canopies.

Council Member Bullerman reported that Council Members should have received an email regarding the HRC's civility survey. They are working on Civility Month stickers. She attended the SEMCOG General Assembly meeting.

Council Member Angus attended a tour of the Trinkle Road property on October 23rd and then had a regular Parks Commission meeting on November 3rd. They reviewed a new parks facility rental and reservation policy that will be voted on at the next Parks Commission meeting. CERC met last Wednesday. They have hosted several successful events, including the TimberTown Trailfest, a birding event, and bocce and pétanque. Council Member Angus also attended the One Big Thing event on behalf of CERC.

Upcoming, CERC will be hosting pop-up sledding, open gym and swim, party in the park, curling fest, and the Gobble Wobble Turkey Day Zumba. They are also working towards bringing a community pool to Chelsea.

Council Member Stump attended the Strategic Plan Implementation Group on October 26th. He reported that the Citizens Academy had been postponed due to a lack of applications. The WAVE Board meeting was cancelled. Lastly, the first Deer Management Committee meeting is scheduled for this coming Thursday at noon.

Council Member Merkel attended the Chelsea Area Fire Authority meeting on October 20th. The new website is forthcoming shortly, and they are also still accepting applications for a

new police Chief. There is a Special Meeting scheduled for November 11th and a Regular Meeting on the 17th.

Council Member Keaton brought forth the recommendations from the Housing Commission. He attended a joint meeting with the Housing Commission, Planning Commission, and Parks Commission to discuss how they can all work together and align together.

Mayor Henson thanked Clerk Sebestyen, Deputy Clerk Money, and the volunteers for their work at the election. She spoke about Harry Polichtʼs impact on the city. She then thanked Tracy Watkins for her work over the last year.

On October 30th, she attended the Chelsea School District quarterly meeting. On November 11th, she attended the Chelsea Area Fire Authority HR committee meeting. She also attended the Washtenaw County Climate Resiliency Network, which is a group that helps municipalities work with the climate change that they are experiencing. Upcoming, there is a program for Veterans' Day on November 11th and then a Western Washtenaw Regional Advisory Group meeting later that evening. On the 12th, the Community Key Stakeholders meeting is at 11:30.

Adjournment

MOTION Stump SECONDED Iannelli to adjourn at 8:06 p.m. All ayes. Motion carried.

Approved:

_____
Kate Henson, Mayor

_____
Lyn Sebestyen, Clerk