

**MINUTES
ST. CLAIR SHORES CITY COUNCIL BUDGET HEARING
MONDAY, APRIL 26, 2021**

City Council Budget Hearing, held in the Council Chambers, located at 27600 Jefferson Avenue, St. Clair Shores, Michigan

Present: Mayor Kip Walby, Council Members Peter Accica, John Caron, Ronald Frederick, David Rubello, and Candice Rusie

Absent & Excused: Chris Vitale

Also Present: City Manager Matthew W. Coppler, Assistant City Manager Bill Gambill, City Clerk Mary Kotowski, Directors Henry Bowman, Laura Stowell, Rosemary Orlando, Bryan Babcock, and Chris Rayes, City Controller Renae Warnke, City Planner Liz Koto, Chief Judge Mark Fratarcangeli, Court Administrator Andrea Strassburg, Fire Chief James Piper, Police Chief Todd Woodcox, and City Attorney Robert Ihrle

1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Walby called the meeting to order at 6:00 p.m. and noted that Council Member Chris Vitale would not be in attendance, work related absence. Ms. Kotowski called roll, and noted a quorum present. The Pledge of Allegiance was recited.

Motion by Council Member Caron, seconded by Council Member Frederick to excuse Council Member Vitale.

Ayes: All - 6

OVERVIEW AND PROJECTIONS

Mr. Coppler shared an overview of the changes to the budget format for FY 2021-2022 to include the Utility Fund being split into three Enterprise Funds:

- Water, Sewer, and Storm Utility.
- Golf, Civic Arena, Pool, and Boating were removed from the General Fund and placed in the Recreation Enterprise Fund. This change was recommended by the city's liability insurance firm due to potential liability insurance issues. Concern of losing governmental immunity if these funds remained in the General Fund.
- Costs associated with computers, networks, shared software, and the City's VOIP were all consolidated into the Computer Replacement Fund and charged back to departments based upon users/devices. Due to this change, there will be a notable increase in individual departments for computer costs verses last year's budget.

Mr. Coppler also noted that they are looking to reestablish the Motor Pool, placing the cost of vehicles along with maintenance and depreciation in a centralized Motor pool budget. He presented the FY 2022 City-Wide Budget with a proposed revenue of \$106,699,269, proposed expenditures of \$112,554,966, for a proposed surplus/(deficit) of (\$5,855,697). Indicating that those numbers will change depending upon the water and sewer rates. Finance is still working on the exact rates; expectation is that revenues will go up. A notable decrease in the General Fund for both revenue and expense was the removal of Recreational Services that was placed in the Recreation Enterprise Fund.

Mr. Coppler presented a Proposed FY 2022 Revenue total of \$37,790,399. Property taxes are projected to increase again this year, along with State sales tax. Revenue for FY 2022 is tracking to be closer to what we saw in 2019, with 2020 and 2021 being impacted by Covid. The 2021 decrease has not been as drastic as predicted, though they do anticipate fundamental changes with fewer people driving and more people working from home. This trend will impact the revenue once generated by Court. Ambulance service revenue decreased in 2020 due to lower volume of calls, but they are beginning to see an increase. State and Federal revenue increased due to Covid funds provided to the city by County, State, and Federal funding, with additional Covid funding through the American Recovery Plan Program to be determined. Taxable valuable is increasing by 3.6%. The increase is higher than the CPI which caused another rollback to our current 5.2 mills of the Charter 8 mill levy.

Council Member Caron questioned whether the deficit would be balanced out by existing Capital, and if there is plan to establish the real status of each fund. Mr. Coppler stated that there are four identifiable funds to make up the deficit: Library, Streets, Utility, Water & Storm Sewer, and they are working on accurately tracking all funds for a more concise fund balance.

40th DISTRICT COURT

Judge Fratarcangeli and Ms. Strassburg shared the challenges they have faced due to Covid. Implementing new ways for the Court to remain open while being closed to the public with live streams, virtual clerk, court hearings being done via Zoom, general email inbox for correspondence and online filings, text and email reminders, Wi-Fi for contactless check-ins, and outdoor kiosk for court case records and payments. They had to think outside the box to provide the same services but in a different way. They have been proactive in how to manage their budget due to decrease in revenue by implementing rolling layoffs and receiving State Funded

40th DISTRICT COURT cont'd.

assistance grants.

Council Member Rusie recommended they partner with the Communications Department to highlight, via social media and other outlets, the Court's new services.

Administration was directed to review the option of the use of the surplus in the court building fund to pay the bond.

POLICE & DLEF

Chief Woodcox was asked to speak on officer body and car cameras. Chief Woodcox stated that car cameras have been in place for the past 24 years and are in need of upgrade this fiscal year, especially the servers. Regarding body cameras: Privacy issues for residents become a concern, as all footage can be requested by FOIA. Only in car cameras have been included in the budget at this time. The City Manager's office is working on grants for in car and body cameras.

The bike patrol program will be purchasing two electric assist bikes for neighborhood and marina patrols.

FIRE

Chief Piper stated the fire department has reduced their capital requests by 11%, with operating costs increasing by \$19,000 with over half of that due to increase in gas and electric utilities. Other factors include replacement of ambulance and rescue truck. Revenue has fluctuated due to Covid, call volume was down due to stay-at-home orders. Outside billing company has raised revenue in terms of collections. Some things on the horizon include the need for personnel for both fire and ambulance personnel to increase due to the continuing trend/expected increase in call volumes. Building study is almost complete, which notes stations are 60 years old. Some ideas to retrofit Stations 2 & 3, but looking at a possible complete rebuild of Central Station. Include in capital for next year is purchasing another ambulance. Current year ambulance has been ordered. Looking to replace 1997 Rescue truck with something newer and smaller.

COMMUNITY SERVICES

Mr. Rayes presented changes to this year's budget which includes the addition of a city engineer back on staff and the overlap to the Community Development Director position. They are still working on filling the position.

Mr. Coppler added that they are proposing a Rehab Coordinator position that will be responsible for maintenance and overview of rental program, Code enforcement supervisor is currently handling. Cost to be covered by CEPG.

DPW, UTILITY FUND, MOTOR POOL, STREETS

DPW Administration – Mr. Babcock shared changes in budget include fire sprinkler system in garage. System is 50 years old and repairs need to be made in order to meet fire code. \$50,000 was budgeted for repairs, however Building maintenance has offered to take on a lot of the repairs for a significant cost savings.

Sanitation – City is in the first year of the new five-year cost lock contract with GFL.

Storm Sewer – Proposal for permanent inground pump stations to be installed that will run off electricity in place of the gas powered above ground units that are currently in use. Pursuing possible FEMA grant funding to offset cost.

Water Department – Lead service line project budgeted for another 1 million with increased lead lab sampling fees. Proposal of new dump truck to replace the 1999 truck. Water main projects to include Share Street, Dorian, Harmon, Grand Lake, Hanson Court, and Maple Grove, notices to be mailed ahead of project. Also selecting streets that have a high number of water main breaks, lead service lines, and need meters moved inside of homes.

Council Member Caron asked what is the fund balance in this account to cover these projects and rate calculations? Mr. Coppler answered that they are still awaiting all the rate calculations for finalization but the preliminary is an increase of 4.4% (\$33 per year) for average user.

Sanitary Sewer – Proposal to replace the current 1991 nonoperational sewer vacuum and jet truck, which will provide a main line and a backup. Especially important as the 12 Mile and Jefferson storm sewer continually fills up with sand from the lake. Also budgeted for the Camera & Cleaning Project on an eight-year cycle to get a visual on what needs to be repaired, which is documented and then repairs are made.

Motor Pool – Proposal to install a small above ground ethanol free fuel tank to run all the department's small engine equipment. This tank would be in addition to the portal pump already in use.

DPW, UTILITY FUND, MOTOR POOL, STREETS cont'd.

Streets – Currently facing an issue of being short staffed for seasonal employees, due to this some services may be sacrificed based on availability of workers. Road Patching Program will continue again this summer with joint sealing and street paving projects.

LIBRARY

Ms. Orlando shared that her budget is similar to last year but with the additional proposal to hire a consultant to explore renovating youth services room, which is 50 years old. Noted typo of \$50,000, it should be \$15,000. Looking also to repurpose the magazine room and remove old shelving.

PARKS & RECREATION

Parks & Recreation Administration –

Mr. Bowman shared about the events that were held in the midst of the pandemic which included Aqua Freeze, Tunnel of Lights, and Thursday Night Markets. They were able to secure new sponsors. They are ramping up the special needs program to include golf, day camps, figure skating, hockey, softball, and soccer. Implemented new computer system, Rec Pro, and it is working well.

Recreation – Installation of two new floating docks, one at 9 Mile and the other at Blossom Heath.

Civic Arena & Parks – Three play structures to be installed: Lac Sainte Clair Park, Civic Arena, and Frederick Park

Senior Activities Center – Faced many challenges due to limited capacity and social distancing requirements. As well as Smart Bus transportation restrictions. Increase in curbside lunch program, providing up to forty meals per day. Implemented outdoor exercise classes that were well attended.

Kyte Monroe – Baseball tournaments still being held.

Aquatics – High School teams who could not utilize their indoor pools rented time in our outdoor pools. Senior water exercises were able to be held.

Water Slide – Slide was able to open.

Golf Course – Faced challenges due to constant changing guidelines, but they had their best start in 10 years at the golf course.

GENERAL GOVERNMENT AND ALL OTHERS

Mr. Coppler shared a brief overview of departments that have not already been discussed. Focusing on the departments that have changes to their budgets.

Attorney – Reduction in budget due to expected decrease in labor negotiating costs.

City Council – Budget increase due to changes in structuring IT costs.

Boards and Commissions – Budget is the same as last year.

City Manager – Budget is the same as last year. Lakeview, looking to move road project forward in next year's budget.

Finance Department – Ms. Stowell noted that their budget increase is due to the new munis system requested by Mr. Coppler.

City Clerk – Budget proportionally is the same as last year.

Council Member Caron wanted to note that the City Clerk department successfully survived the 2020 election. Complimenting the City Clerk for processing a record number of votes.

Assessing – Budget is the same as last year, with an increase to outside consulting costs.

General Government – Capital spending was put on hold last year, that is now being expensed. Looking to reduce expenses in the Insurance fund but still staying within expenditure expectations. Ms. Stowell noted the reduction in Police and Fire retiree benefits funds due to more accurate costs verses utilizing generalized rates.

Communications – Budget same as last year, with a reduction in capital. Request to upgrade the video conferencing capabilities in all conference rooms.

Building Maintenance – Decrease in budget due to parking lot being completed, with an increase due to bringing on a new employee

GENERAL GOVERNMENT AND ALL OTHERS cont'd.

in June, and an additional transition position due to the department head retiring next year.

Information Technology – Most notable changes are to the computer replacement fund due to removing IT from general fund. This enables more accurate accounting by charging back departments for their individual IT and computer replacement needs. Expected to reduce costs due to reducing number of servers and using third party vendor. Decreased cost by eliminating director of IT position, creating a systems analyst position instead, and retaining an IT specialist. Utilizing an outside firm to provide a third person when needed. Currently addressing the issue of the Marina Wi-Fi being down, which has started the process of looking to replace the entire system, including Blossom Heath Marina.

2. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT) - None

3. ADJOURNMENT

Motion by Council Member Frederick, seconded by Council Member Caron to adjourn the meeting at 9:27 p.m.

Ayes: All - 6

KIP C. WALBY
Mayor

MARY A. KOTOWSKI
City Clerk

(THE PRECEDING MINUTES ARE A SYNOPSIS OF A CITY COUNCIL MEETING AND DO NOT REPRESENT A VERBATIM RECORD.)