

Minutes
St. Clair Shores City Council Workshop
February 28, 2009

Present: Mayor Hison, Council Members Ahearn, Frederick (arrived at 8:06), McFadyen, Moffitt, Rubello and Walby

Also Present: Kenneth R. Podolski, City Manager, Mary A. Kotowski, City Clerk, Timothy Haney, Finance Director/ Treasurer, Sharon Schuster, Controller, Michael Smith, Human Resources Director, Robert Ihrie, City Attorney, Christopher Rayes, CDI Director, Jennifer Cederstrom and David Herrington, Plante & Moran

Mr. Podolski called the workshop to order at 8:00 am at the St. Clair Shores Country Club with a quorum present.

1. Proactive measures to date

Mr. Haney summarized the past direction of Council which was to downsize by attrition, not utilize layoffs, continue to monitor spending and work on starting to fund the OPEB liabilities.

Mr. Frederick arrived at 8:05 am.

a) Positions eliminated

To date, 50 positions have been eliminated through attrition, which is a \$4.4 million cost savings. Administration continues to review every position when there is an opening and the department head is required to justify the filling of that position.

b) Extra voted millage

The Water Millage expires on June 30, 2009. The Local Street Millage will expire on June 30, 2010 and the Police and Fire Millage will expire on June 30, 2011.

2. Future measures

a) Consolidated services

Mr. Haney stated that the City of Roseville asked if the City would be interested in co-sponsoring the fireworks, sharing the costs and rotating the location each year. The consensus of Council was to direct staff to find out more information and possibly pursue this joint event. Roseville hosts the fireworks at one of their parks and pays approximately \$13,000 for the display.

Mr. Podolski stated that he had just attended a meeting in regards to the consolidation of Dispatch services, where City of Eastpointe presented their interest, as now there may be federal funding available for this consolidated service. Clinton Township also sent representation, but there was no formal commitment from them.

Existing Consolidated Services – The City has been involved in consolidated services with other municipalities, counties and school districts. A quick listing of existing consolidated services is: the Mutual Aid agreements, Consortium purchasing, shared fuel purchases, and working with the school districts.

Mr. Podolski reminded Council that the City will not pursue any consolidation without a benefit or cost savings for the City. Our Parks and Recreation Staff has been meeting with Roseville as they have a great senior citizen gym. By allowing Roseville residents to use the boat launch, we not only generate revenues, but our seniors can use their gym.

Every community is awaiting the Federal Stimulus money. As of yet, no set amount has been approved for Michigan and funds for water and sewer projects were excluded. Mr. Podolski confirmed that the City met the deadlines for project considerations as our staff had researched project options and was ready to submit projects before the deadline for the allocation lists.

b) Sterling Heights Deficit Reduction Survey

Mr. Podolski stated that Sterling Heights' City Manager presented this survey last year at conference, and as he reviewed it, 80% of the ideas had already been implemented in St. Clair Shores. This is a good starting tool for Council to provide direction on ideas of what they would like to cut, see consolidated, job serviced out, and/or eliminate services. The purpose of this sheet was to compare the City to other communities.

b) Sterling Heights Deficit Reduction Survey cont'd.

Staff will review this document and include the City's cost amounts for Council. Council will review City Services, their costs, rank out services, indicate what cuts in services they would agree to and submit this to the City Manager prior to budget hearings.

The Fire Chief's correspondence notes that our Ambulance Fees and BCBS/Medicare allowable charges are low compared to allowable charges. AccuMend has recommended raising our rates to be in line with acceptable insurance reimbursable amounts. The City has not raised this fee since 2005. This item will appear on a future workshop agenda.

Streetlights audit – Mr. Haney reported that the City is to pay for a portion of the street light costs on private streets with an estimated cost of \$7,200 annually. Council will review this issue at budget time.

c) Future positions (4 open now)

Mr. Smith stated that there are three vacancies due to retirements of a Water Meter Reader, Clerical in DPW which was filled by a transfer from Finance, and an Auto Mechanic. The time and attendance software system allows for the elimination of the Finance position, and there is one more retirement possibly coming up. When a position becomes vacant, it is reviewed and evaluated by the Department Head, HR Director and City Manager.

Mr. Smith also noted that all temporary wages for this upcoming season will be lowered to minimum wage for cost savings measures.

Mayor Hison cautioned that with downsizing we need to make sure that the staff has the essential tools, such as computer skills and knowledge of programs to function effectively with less staff.

Mr. Moffitt asked if the DPW tracking system has a module to track the maintenance on the vehicles.

Mr. Podolski responded that with the delay in purchasing this software, a newer software version was introduced that not only tracks the maintenance on the systems but provides a GPS unit in each vehicle to allow tracking vehicles.

Mr. Ahearn suggested that Parks and Recreation package together the pool, slide and park passes into one. They could reduce the slide cost and sell one package per family at a lower combined rate and hopefully increase the sale of passes.

Mr. Rubello asked to market their products better as he was unaware that the pool use is included when a well is rented.

Mr. Rayes addressed questions regarding the bid awards for the landscaping maintenance items on Monday's agenda. He will provide to Council Monday afternoon an additional spread sheet, which details the Nine Mile and Mack portion which is paid by local businesses but bid with City projects. He will also provide the separation of the bid portion paid by TIFA.

d) Extra voted millage

1. Street – last levy 7/1/2009. Needs Council adoption by June 15, 2009 to make the General Election in November.

Mr. Haney noted that the Annual Report pages IX – X describe the residential streets that this millage has funded over the last 13 years it has been levied.

Ms. Kotowski confirmed that June 15, 2009 is the last date for Council to place it on the November 3, 2009 City General Election.

The consensus of Council was to place the renewal on the November ballot and directed the City Attorney to prepare the ballot language.

2. Police & Fire – last levy 7/1/2010.

Council was presented with information regarding declining revenues. If this millage is only renewed with staffing guarantees and no other revenue source increases, then Police and Fire would be the only services the City could provide.

2. Police & Fire – last levy 7/1/2010 cont'd.

Discussion on consideration of a Headlee override, removal of staffing amounts in the proposal, creating a Police and Fire millage that would cover their operations, and lowering the general fund millage took place.

If just a renewal was placed on the ballot, the City would have to cut services. Even if only the renewal passed, the City would not be able to restore services with the projected revenue losses.

Administration's recommendation is that no minimum staffing in the Police and Fire millage be included in the next millage request. They have been working on contract language changes to lower costs, such as changes in minimum manning on shifts, continuing to save on overtime.

The estimated costs to operate the Police and Fire Departments are \$17 million each year. This is our largest portion of personnel costs to the general fund as well. There are ways to provide the same Police and Fire services with less staff and without handicapping administration to 101 Police and 50 Fire personnel that the millage currently guarantees.

It is projected that we will need four additional mills to continue providing existing services. That would be the minimum to compensate for the revenue loss in taxes. There will be 20% less money generated because of these tax losses.

Our largest expense is personnel and benefits. Consideration of a dedicated 8 mills for the operation of the Police and Fire Department and then 4 mills for the general fund operations was discussed with a minimum levy of 5 years. Discussion on a permanent levy as other communities have done was considered.

3. Additional voted millage

Council requested that they be provided at another Saturday workshop with actual figures on the deficits and calculations for City Operations and the amount of mills to be voted on in 2010.

The City Attorney was asked to research if the City can vote in a millage that increases over the next X number of years as property values decrease, like a flexible millage rate.

e) Clean Water initiative

Council was provided with Mr. Ihrle's legal opinion whether these funds could be used for sewer maintenance of the system.

3. Questions and Answers

Is it beneficial to consider buyouts and/or drop programs? It is a cost savings only if personnel are not replaced, and we are not in the position to do this. School districts can do this because they belong to the state pension systems and it does not remain a debt of the school district.

Snow Ordinance Enforcement – Mr. Podolski stated that we know Council has received many calls and emails along with staff regarding the snow removal ordinance enforcement. He explained that we have learned many things from this experience and have made changes to this process. They would not go out until there are 3 – 4 inches, post a notice on the door that the City shoveled, go out no earlier than 48 hours after snowfall, and billing would be done faster.

ADJOURNMENT

The workshop adjourned at 10:25 a.m.

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

ROBERT A. HISON, MAYOR

MARY A. KOTOWSKI, CITY CLERK