

**MINUTES
ST. CLAIR SHORES CITY COUNCIL STUDY SESSION
AUGUST 9, 2010**

City Council Study Session, held in the Council Chambers, located at 27600 Jefferson Circle Dr., St. Clair Shores, Michigan.

Present: Mayor Hison, Council Members Frederick, McFadyen, Rubello, Rubino, Rusie and Walby

Also Present: City Manager Hughes, City Clerk Kotowski, Directors D'Herde, Esler, Haney and City Attorney Ihrle

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

Mayor Hison called the meeting to order at 7:00 p.m. Ms. Kotowski, City Clerk, called the roll with a quorum present. The Pledge of Allegiance was recited by those in attendance. Ms. Kotowski noted Mr. Frederick and Mrs. McFadyen asked to be excused from this meeting.

Motion by Walby, seconded by Rubino to excuse Council Members Frederick and McFadyen from tonight's meeting.

Ayes: All – 5

Absent: Frederick, McFadyen

2. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT)

Jim Goodfellow, St. Clair Shores, spoke on agenda items 2 and 3. Regarding item 2, he asked if the City could use the cell tower rent money towards the Memorial Day Parade fund. He believes that fundraising is a practical solution to the problem of not having enough money. Regarding item 3, he agrees with charging five dollars per car for parking and he agrees with charging a small fee at the entrance. He suggested having a golf fundraiser.

Chuck Hall, St. Clair Shores, spoke on agenda items 2 and 3. He stated that currently the City opens special events up to non-residents and he believes that the City should continue to keep these events open to non-residents. He agrees that the City should charge for parking at these special events. He suggested having reserve patrol for these events and possibly looking into hiring Roseville's reserve patrol for these events if it would save the City money. He mentioned that a barrier should be installed at the corner of Masonic and Jefferson to prevent accidents involving pedestrians.

3. ST. CLAIR SHORES MEMORIAL DAY PARADE

Mayor Hison stated that the City cost of the parade is a concern to the City. The Parade Council is a 501c4 non-profit organization and has certain rules that they must follow. This last parade was the 58th parade and everyone wishes for the parade to continue for many more years in St. Clair Shores. The average cost of the parade to the City is approximately \$30,000, which is mainly for police, fire and communication staff costs. He stated that he and Council have already expressed budget constraints and are addressing this issue in advance in order to work with the Parade Council to come up with a solution. The goal is to be cost effective and to continue to have the parade. He mentioned that the Parade Council has given Council their balance sheets for 2010.

Ms. Rusie stated that the Parade Council is a 501c-4 organization and is not subject to the "Open Meetings Act", which is why she requested to hold a meeting on this subject. Council does not have control of how the funds are used. Normally the cost of the police and fire overtime was not questioned. She does not appreciate that the City logo and font is used on the Parade Council's letterhead, which implies that the City is affiliated with the Parade Council. She reiterated that the Parade Council is a private organization and Council does not have any control of their event. She mentioned that there are businesses that have expressed that they would like to participate and were not allowed to. Some people have been concerned with the route of the parade. This organization needs to develop ways to fund the event in entirety and without the use of taxpayers' money.

There was discussion on how the Parade Council counts on the City's budget for the cost of the police and fire overtime. The City's cost is \$36,000 for the parade. The Parade Council needs to raise funds for the overtime costs and not expect the City to include the money in the budget. The fireworks are a good example of how funds can be raised. The City cannot afford to continue to partially fund the parade nor the fireworks in this type of economy.

Mr. Walby stated that there needs to be more involvement of the Mayor and Council as it is with other organizations. Receipts and expenses should be run through the City and a Council liaison should be put into place. The Parade

3. ST. CLAIR SHORES MEMORIAL DAY PARADE (Cont'd)

Council meetings should be at a City location and should be open to the public. Especially since over \$30,000 of the taxpayer's money is being used on the parade.

Mayor Hison stated that the City budgets \$9,600 dollars towards the parade with \$3,700 spent on liability insurance. Expenses are reflecting approximately \$18,000, which does not include the insurance. The City's cost for the parade is about \$22,000. Mayor Hison noted that in reviewing their balance sheet, their largest revenue source is the City at \$5,900 and then the ad book. The cost of the parade without City overtime or liability insurance is \$18,000.

Mr. Matt Ahearn and Mr. Joe Wilgot were present to answer questions. Mr. Ahearn stated that the Parade Council did not ask for funds from the Tax Increment Finance Authority this year. He stated that it was left in the book because they have contributed to the parade in the past when the parade was on Jefferson.

It was discussed that the City requested that the parade be alternated between Jefferson and Harper. At one time the parade was on Harper from 13 Mile Road to 11 Mile Road. Having the parade on Harper allows more access from both east and west of Harper and is better for emergency vehicles. Although alternating the locations of the parade every year would allow more people to participate, changing locations every year causes difficulties as every year the set up of the stage is a big operation and needs to be done a few short hours.

Donations to a 501c4 organization are not tax deductible.

There was a misunderstanding as to whether Mr. Curt Dumas was still involved with the parade. It was clarified that Mr. Dumas is no longer involved in the parade. Letters had already been printed when it became known that Mr. Dumas would no longer be involved. It was mentioned that Mr. Dumas's name is still on the website. It was explained that the website is out of date and needs to be updated. These items will be updated.

Ms. Rusie stated that the Parade Council agreed to release their books for review. The only information that Council has received is one page without the specific details.

Mr. Ahearn explained that the Parade Council is made up of volunteers and they do not have full time employees balancing the books. The reason it took so long to produce the information requested is because they were in their busiest time and the books would not have reflected the latest fundraiser, and their treasurer was on vacation.

It was noted that the Parade Council has never practiced asking elected officials if they want to take out an ad in the parade book. In the past, the elected officials have always contacted them. The Parade Council used to fundraise by holding raffles, but it got to the point where the cost of printing the tickets outweighed the revenue created from selling the tickets. The parade book has been the biggest fundraiser.

It was mentioned that for people who would like to become Parade Council Members, they need to attend meetings and volunteer especially on the day of the parade. The meetings are announced in the newspaper and are held at Blossom Heath Inn.

It was noted that other private organizations receive police and fire services, such as the World War II Enactment. Over recent years some measures were taken to cut the police, fire, and DPW costs. The total police overtime was reduced by 25 hours as compared from 2009 to 2010. Police, AFSCME and communications cost about \$20,000 for the parade.

Mr. Walby reiterated that the parade needs more volunteers and more fundraising. He believes the Parade Council should have more formalized procedures with the meetings held at City locations and at set times. A significant amount of money is given to the Parade Council by the City. City staff needs to be involved and there should be a Council Liaison. All donations and checks should be run through the City.

Mayor Hison said that we are not sure how things work with non-profit organizations like this, so he suggests that the handling of incoming and outgoing money should be explored first. He explained that now there aren't any other organizations that do not pay for the City services. The amount of people to do fundraising has to be key in order to have a great parade and cover the costs.

Mr. Ihrie explained some differences between a 501c3 and 501c4 non-profit organization. Although both are non-profit tax exempt organizations, the 501c4 organization is allowed to participate in political lobbying and the 501c3 is not. It is difficult for an organization to become a 501c3 organization because they need a certified accountant.

3. ST. CLAIR SHORES MEMORIAL DAY PARADE (Cont'd)

Mr. Rubello stated that he wants to make it easier for more businesses to get involved with the parade. A bigger, better and more stimulating parade is the main goal. The parade needs more money and getting the business community involved would bring in more revenue.

Mr. Ahearn clarified that the Parade Council has been trying to come up with money for the parade for 20 years and every year they ask businesses to sponsor floats. They do not allow blatant advertisement floats because the parade is for remembering all the fallen heroes. There are roughly 1800 businesses in the City and many of them do not wish to participate in our parade. He noted that there was one business that was denied a float this year. The business wanted to have a "semi truck" in the parade, which was not feasible. He stated that if the City wishes to take over the parade and "commercialize" it then the parade volunteers would have to discuss how and if they would still want to be involved. He stated that he and Mr. Wilgot are only here to answer any questions that Council may have, but they would not be making any decisions tonight.

Mayor Hison asked Mr. Ahearn and Mr. Wilgot if they have investigated and asked other communities how they fundraise for their parades. He clarified that Council's intention is not to take over the parade and only to discuss ideas of how to come up with the money without using taxpayer's money. The City is facing a deficit and the Parade Council and the City need to work together to come up with a solution.

It was discussed that some businesses in the past filled out the application with certain details and then showed up at the parade with something very different. If a business chooses to do a float, the float must go with the theme and be red, white, and blue.

There was discussion about a float that was in the parade two years ago that was in honor of the Grand Marshal, Fred Maloof. Some people may think that the float did not follow the theme of the parade because it was green and it was in the shape of a ring in a box. Some people felt that it could be looked at as advertisement since Fred Maloof owned a jewelry store in the City. Other people felt that this particular float was in honor of Fred Maloof for all that he has contributed to the City and it was not an advertisement for Mr. Maloof's jewelry store.

Mr. Ahearn asked that the Parade Council be informed of Council's decision so that the Parade Council could discuss the future of the Memorial Day Parades. Mayor Hison agreed that the Parade Council would be notified once a decision was made.

4. ST. CLAIR SHORES FIREWORKS

Mayor Hison explained that a year ago the Activities Committee announced they not be able to have the fireworks due to lack of funds. Volunteers stepped up and raised funds for the fireworks. Mr. Esler and Mr. Michno contacted 45 different businesses and asked if they would help with the cost of the fireworks. Budget constraints forced the City to discontinue their contribution to the fireworks. The volunteers for the fireworks raised enough money to cover the overtime expenses for AFSCME, police and fire services. The cost for these services was approximately \$25,000 in the past and this year it was approximately \$22,000 to \$23,000. The Activities Committees has 15 members and the Parks and Recreation Director became very involved in raising funds. Mayor Hison suggested the City look into possibilities outside the community in order to raise funds. He mentioned that there was a police situation at the last fireworks event. He noted that it was between two individuals who were not residents. The incident was over quickly as the police and paramedics handled the incident in a professional manner.

Mr. Rubino commended Mr. Esler and Mr. Michno on doing an excellent job of raising funds for the fireworks.

Mr. Esler stated that the Activities Committee was very involved in the fundraising and the dynamics of the Committee has changed now since fundraising is necessary. The Activities Committee will meet next Thursday to discuss fundraising and sponsors. The Activities Committee has the ability to charge for parking and for entering the fireworks. He said the police estimated that 25,000 to 30,000 people attended the last fireworks and the City could raise a lot of money if each attendee was charged an entrance fee. He mentioned that there were 20 different donors who contributed to the fireworks.

There were suggestions to put a donation bucket at the Parks and Recreation Department. It was mentioned that the extra money made on some of the bigger events gets used to fund some of the other events.

Mr. Walby suggested that a Fireworks Committee be formed to do all the fundraising. The Activities Committee needs to be expanded enough to handle the additional fundraising for the fireworks. He said that \$5 parking fee and entrance fees should be discussed.

4. ST. CLAIR SHORES FIREWORKS (Cont'd)

Mr. Esler stated that 15 non-resident companies participated in the fireworks fundraising. He thinks the Activities Committee and the Parks and Recreation Department should come up with ideas on how to expand fundraising ideas and they will bring them before Council.

Mayor Hison noted that some residents have complained about the parking on the streets in the vicinity of the fireworks.

Mr. Esler suggested to have parking at the golf course and Kyte Monroe Park and to use the Parks and Recreation buses to shuttle people to Memorial Park for the fireworks. He believes that we are heading in the right direction. He mentioned that the VIP tent was a "big hit" with the sponsors.

Mr. Rubello commended the group for being open to new ideas and for making the fundraising a success. He especially commended Mr. Esler for becoming a great addition to the group and for getting involved.

Mayor Hison noted that there are over 250 volunteers on the boards, commissions, and committees. He thanked them all for giving their time. He said that he and the City Manager would be meeting to discuss how the Chamber of Commerce could get more involved. He mentioned that one resident suggested using a police reserve like the City of Roseville to help with these events. Several ideas that were mentioned tonight need to be explored.

Mr. Esler announced the Activities Committee meeting that will be on August 19, 2010 at the Civic Arena at 7:00 p.m.

Mr. Hughes said he would work with Council, the Activities Committee, Parks and Recreation, and the Parade Council to come up with solutions.

Mayor Hison asked that all Council Members make their suggestions to Mr. Hughes so they can be considered.

5. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)

Duane Michno, St. Clair Shores, said he originally was not in favor of charging for parking and for entrance fees, but now he is. He feels that this could raise money and he feels that enough notice has been given. It is very difficult to raise money, which is why businesses that contribute are allowed to display their goods in the parks. He has discovered that many businesses are excited to be a part of the fireworks event. He encouraged individual contributors to send their donations directly to the City.

Chuck Hall, St. Clair Shores, suggested having restaurant sponsors and giving them vouchers to give to their customers. We are all coming to the realization that the City needs different ways to come up with money for these events.

Joe Backus, St. Clair Shores, mentioned that years ago, possibly in 1976, 1977 or 1978, the City was close to not having the Memorial Day Parade. The City needs to "live within its means", which most likely means not contributing to the parade and fireworks anymore. He believes that the City has to ask all the civic organizations to fundraise for these events.

Jim Kelly, St. Clair Shores, suggested charging \$5 to park cars in the right-of-way for the Harper Cruise. He said businesses could give parking spaces to their customers or friends and pay a fee to the City. Volunteers could check on the businesses and the cars that are parked in the right-of-way to make sure the fees have been paid.

Mayor Hison mentioned that if there would be any money collected at the cruise, it would go to the Kiwanis Club first since they are the ones who sponsor the Harper Cruise.

George Recor, St. Clair Shores, agreed with holding more fundraisers. He encouraged everyone to come up with ideas for fundraising. He feels that the City should look into working with Roseville to use their police reserve if it would save the City money.

Bill Miller, St. Clair Shores, said that what happened tonight between the Parade Council and City Council discourages people from volunteering and getting involved. He thought there were too many people in the park for the fireworks. The park was too dark and he suggested having more lights. He suggested everyone work together as a team and let go of the past.

6. ADJOURNMENT

Motion by Walby, seconded by Rubino to adjourn the meeting at 9:23 p.m.

Ayes: All – 5

Absent: Frederick, McFadyen

ROBERT A HISON, MAYOR

MARY A. KOTOWSKI, CITY CLERK