

**MINUTES  
ST. CLAIR SHORES CITY COUNCIL BUDGET HEARING  
TUESDAY, MAY 19, 2020**

City Council Budget Hearing, held electronically and teleconference utilizing a Zoom meeting aired live on our website, Facebook and cable stations.

Notice is hereby given that due to precautions being taken to mitigate the spread of the Coronavirus (COVID-19) and protect the public health, the Budget Hearing of the St. Clair Shores City Council will be held electronically from the Municipal Building at 27600 Jefferson Avenue, St. Clair Shores, Macomb County, Michigan 48081, on Tuesday, May 19, 2020, at 6:00 p.m. The meeting is being held in compliance with Governor's Michigan Executive Order No. 2020-15 effective March 18, 2020 and continuing until May 28, 2020 at 11:59 p.m.

Present: Mayor Kip Walby, Council Members Peter Accica, John Caron, Ronald Frederick, Candice Rusie, and 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, Chief Judge Mark Fratarcangeli, Court Administrator Andrea Strassburg, Fire Chief James Piper, Police Chief Todd Woodcox, Aquatics Supervisor Riley Shea, Senior Activities Center Coordinator Matthew Hubinsky, Golf Course Manager Robert Spinazzola, 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. The Pledge of Allegiance was recited.

**OVERVIEW AND PROJECTIONS**

Mayor Walby said this is a tough time to put the budget together and they will come together at the first of the year for another budget meeting when they understand their money situation a little better. They feel they are being fiscally responsible in doing it this way.

Mr. Coppler stated there are a lot of changes going on such as COVID-19, flooding, etc. Internally there are changes as well as they have committed to using the Financial Software Budgeting Module and the budget has a little different look to it. They are moving different cost centers out of the General fund which really are internal Service funds. The IT operations are a good example of this. They are working on creating and separating the current Utility fund into three separate Enterprise funds to comply with the recent lawsuit that needs to be settled and to comply with how the Enterprise funds are to be accounted for.

The financial forecast has been difficult due to COVID-19 and shutting down the economy and the state saying they have a \$3 billion shortfall. The state had shared their projections for the upcoming year. The estimates the City had in the budget for the constitutional share that we get which is \$4.77 million, is in the budget. They actually estimated the number to be \$4.8 million so we were right on. The downside is that today we don't know what will happen over the next five to six months and once they start making the payments will we understand where there estimates are compared to ours. There are indications that there will be money from the Federal government down to local governments.

He indicated that we have to keep an eye on the recreational revenues and the building permit fees. He doesn't foresee those numbers taking a hit, but prior to COVID-19, there was a lot of building going on. That will carry us throughout this year to meet what the revenue projections were for the building permit side.

**COURT**

Judge Fratarcangeli thanked Council Members Rusie and Rubino for being part of the sub-committee that moved the Court Building forward.

The Court is working hard on using technology to better serve the public. They are providing education to the public and have ended jury checks and are now using cards when jurists leave and they are paid immediately. On-line case reviews have been instrumental to them, and they have taken advantage of text messaging in helping people get to the court for their hearing and they are moving toward a paperless solution. They anticipate having statistics after one full year of doing this. They are using Polycom units as they did a research project and presentation for the state and have put together a video for the courtrooms which educates the public on uses of the court. Scrolling dockets are now in use instead of paper dockets. They have been chosen by the State of Michigan as executive leaders in the community and were invited in a Leadership Team Development Program. The Drug Court is continuing on and has been well received. They are still pursuing collections through tax garnishments and there has been about a 40% return over the years. Challenges over the next year are uncertainties as to when they will open again, and when they will go

**COURT (cont'd)**

to full capacity, etc. They are still busy even through the shutdown. Traffic revenue is way down, but telephone reporting fees are the same. Alcohol testing is difficult right now and oversight fees are consistent with a slight downturn.

**POLICE & DLEF**

Police Chief Todd Woodcox stated the budget looks different this year as they broke out all their line items into more detail to get them into the appropriate categories. The bottom line is that there is a total of \$629,000 less than last year. A large portion of this was the purchase of new police cars and they have been moved over to the Motor Pool. This item is not in the line item of the budget.

In the Records Division, they were to spend \$160,000 on in-car cameras, but they put a hold on this and pushed it back to FY 2022 without the danger of losing the system. There was a decrease in SERESA due to the shift of SERESA costs to the Fire Department as they are picking up a share of this cost. It was stated that for April revenues, there are zero dollars coming into the Court as Police are not writing tickets during this time. It was mentioned that there is no line item for SERESA in the Fire budget to account for their share.

Mr. Woodcox said they don't have any grants that have been approved that are not reflected in the budget as they are needs based and the need is down. The City no longer qualifies for some of the grants as our numbers are so good. Currently they have two grants in the works.

A question was asked about the rationale going from Vehicles into Motor Pool. It was stated that the rationale to purchase out of the Motor Pool and a component of how we charge back to departments is the depreciation of equipment purchased through the Motor Pool. It is how purchases are handled and is more financial than operational and the cost is still falling on the department making the purchase. When purchasing out of the Motor Pool, it is their desire to see all those expenditures from a particular department. What should have happened was money should have been transferred from the Service fund to the General fund and it would have accomplished the same thing.

Mr. Woodcox said they are hiring five new officers in 2020 and three of the candidates are very good and are going through the background process. They have left their old job to come and work in the City of St. Clair Shores.

**FIRE**

Fire Chief James Piper said they have the ability to continue high level service with minimal change in cost. They are looking to continue maintaining what they have and do a little over time rather than making large purchases. They are making sure equipment is certified every year.

Mr. Coppler spoke about the Fire Inspector position mentioning that the budget in front of City Council does not include funding for this position. The Fire Marshall is retiring in May 2021 and the City needs to consider a fund transition time period.

Discussion took place regarding the Fire Inspector position. It was mentioned that there is a one-year time frame for a new Fire Marshall to ramp up to be a Fire Inspector. There are several months of training and they need to be certified. They would like to have this position full time, all the time, so there are two people in there. If the Fire Marshall is gone for any reason, there is always someone here.

Fire Chief Piper said they have made a lot of progress of having two people in there and it is disappointing that the numbers are not in the budget. He asked how they can be put back in.

Mayor Walby said he is concerned as May approaches that the current Fire Marshall promoted from Fire Inspector was just in these two positions over the last two and a half years and then he is retiring. He would like to get someone in for five years and get some longevity as this would be better for the City, the Fire Department, and better financially as well.

Fire Chief James Piper said the one good thing is that the person next on the list has ten years on the job.

Ms. Stowell stated that the Fire Inspector position in FY's 2020 and 2021 as a full position at \$160,000.

Mr. Coppler stated that the position was funded in the proposed budget. Ms. Stowell said she will verify the budget numbers.

Discussion continued about training the Fire Inspector.

Mr. Caron stated he is only interested in this as a temporary transition and not in favor of it being full time. He likes the longevity the City had of the last Fire Marshall. It's good that the next person has that longevity, but he is concerned about the number of EMS drivers the City has and about overtime of EMS drivers going up every year and whether we can keep this up.

Ms. Rusie said she sides with Council Member Caron. They were going to discuss this at the Budget Workshop, but due to

**FIRE (cont'd)**

COVID-19 they were unable to. She hopes they can get more information at the next Budget Workshop. She stated she is missing the Staffing Summary for Fire in her book.

Several other Council Members indicated they need to further discuss this issue and they need to clarify the numbers.

The Fire Inspector position is to be put in the FY21 budget for transition only at this time.

**COMMUNITY SERVICES**

Mr. Rayes indicated that the budget is status quo from last year. They are seeing activity pick back up and have added the Code Enforcement Supervisor back as a permanent employee instead of a contract employee. If the budget is adopted that way, Mr. Blankenship will be moved up to Code Enforcement Supervisor from Rehab Coordinator.

This is the final year for all the contracted employees and will be bid out again for next year's contract. It was suggested that the Staffing Summary be updated as the Code Enforcement Supervisor is not in the budget. Mr. Caron asked if they were going to split up the Rehab Coordinator among others in the department or are they going to backfill that position as well.

Mr. Rayes stated they are discussing two possible options. They are looking at replacing the position because it is a Block Grant paid position or mixing those duties with the Code Enforcement Supervisor, but the challenge with that is they are in two different unions. They will evaluate the options.

Mr. Rayes stated that supplies are part of the Block Grant budget to reimburse the Senior Center. The numbers this year are skewed and there is a little lag in them. He said we have to spend the money timely, otherwise we are penalized.

One possible reason that there are not enough applicants for the rehab money is because of lead testing on the facility and it adds a lot of cost to the project. It's also about projects people want versus what people need.

It was suggested that we use Facebook, Twitter, and other media to spread the word regarding rehab money.

**DPW, UTILITY FUND, MOTOR POOL, STREETS**

**DPW Administration** – Mr. Babcock said not much has changed, but they do have a new employee in the department. There is no capital in this year's budget. They built the storage shed and starting Monday they will use it as a sandbag filling center.

**Sanitation** – the City is in its eighth and final year with GFL garbage collection. The FY 20/21 rates to collect and haul garbage has gone up 3%. Mayor Walby suggested they work with other communities as a consortium for the next contract. It was suggested that the City needs to be in control of the contract in such things as the color of the garbage cans, keeping high standards, etc.

Mr. Vitale said he wants a Study Session in regards to garbage pickup as many things can affect their pricing. He said many communities are going to an automated collection system which has savings.

**Storm Sewer** – Mr. Babcock said they moved the labors that were budgeted in this department to the Sanitary Sewer budget. They will be reducing concrete repairs to doing only the critical repairs this year and have scaled down that budget. The Pump Station project on Benjamin Street has been postponed and tving and cleaning/repairing of storm sewers are not in the budget this year. He said they had in the previous budget a pump station that was to be installed on Jefferson and L'anse Street and that is ready to go which will help with flooding in this area. They had one retirement this year, the Street Sweeper, and will hire from the outside for this position. They have had two new hires in the last three months and are almost at full capacity.

**Water Department** – the largest item on this budget is the purchase of water from the Great Lakes Water Authority and the increase from them is 4.3%. New to this budget is the \$1 million line item for the Lead Service Replacement Program. They have water main projects to replace lead service lines. The 10 Mile water storage reservoir is in its third year of a 5-year contract. There are six water main replacements in this budget and they are looking to get a vac trailer to do in-house work.

**Sanitary Sewer** – the cost to treat sewage has increased 2.6%. In the budget they have \$300,000 for tving and cleaning for sewers and \$400,000 to make repairs to sewers. Mr. Babcock believes this will cover about 1/8 of the City which should keep ahead of tree roots and broken lines.

**Motor Pool** – there are no changes in this department. The two mechanics are doing a great job.

**Streets** – a line item has been added this year in the amount of \$150,000 for tree removals. The City has three arborists, one moving up to a supervisor position and one who has retired. They have fallen behind in tree removals, but they have hired new employees and are currently training them. The tree removal of 27 trees will begin soon. The tree planting grant for about 500 trees, in the amount of \$100,000, will begin in the fall. Mr. Babcock will let City Council know how much they can get done with the \$150,000 in this budget.

**DPW, UTILITY FUND, MOTOR POOL, STREETS (cont'd)**

They have paving projects on Beste and Hughes Streets and the Block Grant paving will be on Meier Street. A large project in this budget is the pavement repairs of 12 Mile between Harper and Jefferson.

Ms. Stowell explained the rationale of the three separate street funds which are the municipal streets, major streets, and local streets.

**LIBRARY**

Ms. Orlando said they have a few minor changes in the budget. The first is in Services. She indicated that Capital is where they purchase all their materials. They were taking digital materials from that budget and it was decided that it would be a service so they put those funds into Services. The second change is in Capital and they added two minor items. One is to replace the redwood siding on the outside of the building and the other is the magazine room which stored newspaper and periodicals. This room has shelving that is unsafe and they want to replace it. The third change is a union negotiated contract that is not reflected in Staffing. She has a new librarian that was hired and the employees who were a Librarian 1 will be promoted to a Librarian 2 as of July 1<sup>st</sup>.

There are plans going on now to make the Summer Reading Program available online, virtual, or with some social media presence. They are looking at curb side service for people to pick items up. Currently, there are 2,600 audio and eBooks signed out from the library. It was suggested that the City promote digital resources. It was mentioned that in the 2022 budget, they have a little money to hire a contractor to renovate the Ad Room.

**PARKS & RECREATION**

**Parks & Recreation Administration** – Mr. Bowman said they don't have a Hall of Fame this year, but are looking forward to it coming up again.

**Recreation** – they have cancelled the Day Camp and Playground Program, but a virtual Playground Summer Day Camp is being planned.

**Civic Arena** – one Capital improvement is the replacement of the cooling equipment for \$17,000 in the Gardens Arena. This item will be brought up to City Council after July 1<sup>st</sup>.

**Parks** – this department is status quo.

**Senior Activities Center** - they are looking forward to Matt Hubinsky being in the position of Senior Activities Center Coordinator. It was stated that the City needs to look at how to get the Senior Center open and running again.

**Kyte Monroe** – this area is status quo.

**Aquatics** – Riley Shea is the new Aquatics and Pool Supervisor. The budget is status quo. In regards to boat slip rentals, the canal is totally sold out. They are selling more slips throughout the marinas right now, but the real problem is people getting their boats out of storage as it is deemed non-essential.

**Water Slide** – the budget is status quo. Mr. Accica asked how the pool slide was coming along. Mr. Shea said the quoting process is done, the welding crew is working at the pool, and they have tackled the rust removal. They are doing their best to restore what once was a great structure. They are hopeful that the pool will open to the public in July. With the Playground Program off, they feel that individual swimming lessons are something they may be able to do.

Mr. Caron mentioned that City Council needs to be made aware of any major issues to the pool or water slide as they need to know this for budget purposes.

**Golf Course** – Rob Spinazzola said it has been a tough month with the new rules and regulations, but their highest priority is the safety of their customers and patrons. They are in the process of getting barriers built in the carts so two people can ride in the cart together. Previously there was only one person in a cart.

Mr. Caron asked about the cart path replacement money and if the money that went into it was from FY 2019/2020 and not any from this year. It was stated that it was one year and this year. Mr. Caron said the cart path is zeroed out in budget for this year. Ms. Stowell stated that \$50,000 is in Contingency for the cart path.

**GENERAL GOVERNMENT AND ALL OTHERS**

**Attorney** – Mr. Ihrle requested an increase in his annual retainer from \$130 to \$190 and an hourly rate increase from \$80 to \$125 stating expenses have gone up and have been going up for a while.

Mr. Caron said there is nothing the City has that documents Mr. Ihrle's responsibilities such as working on ordinance reviews, code

**GENERAL GOVERNMENT AND ALL OTHERS (cont'd)**

enforcements, prosecuting attorney, etc. He suggested that they have a Memorandum of Understanding of the Attorney's responsibilities so that they have a record of it. Mr. Ihrie said he will get his responsibilities to City Council.

Ms. Rusie stated that the scope of Mr. Ihrie's job has changed over the last 30 years and he does a lot of things for City Council and the City.

**City Council** – there are no changes to the budget.

**Boards and Commissions** – they have the same budget as the current budget.

**City Manager** – they are looking at the professional development numbers originally put into the budget as many of the professional developments are being cancelled going forward. This number may be coming down a bit.

**Finance Department** – Capital will be discussed under Contingency under General Government.

**City Clerk** – Ms. Kotowski stated that we are going into a Presidential election year. Due to this election and Proposition 18-3, cost is substantial. She put an additional staff member into her budget, but that was pulled. This is something City Council needs to be thinking about and the salary would be for an Elections and Records Coordinator. She mentioned that records are starting to deteriorate.

Mr. Frederick mentioned that with all the FOIA's in the department, we need to look at a better system for FOIA's.

Ms. Kotowski mentioned that the Secretary of State mailed out an AV Application to residents not on the Permanent Absentee Voter's List which is approaching 14,000 in our City. These 35,000 applications will be mailed out with a letter of explanation about keeping voters safe during COVID-19 and still being able to vote. All 23 precincts will be open for the upcoming two elections unless there is a change due to COVID-19.

She said historically, passports were a revenue generator. Most residents of the City have passports and we are taking the overflow from other cities. At our peak, passports would generate about \$24,000 a year. This year we may make about \$10,000 as of June 30<sup>th</sup>. She requested stopping the service with the election law changes and residents would not be impacted as heavily with limited out of state or out of country travel. Our revenue and the amount of residents are significantly less than years ago. She stated we cannot process passports for City residents only and we have to follow federal rules and rates. The federal government makes the majority of the revenue we collect and our profit margin has significantly decreased. As far as renewals of passports, there are no fees the City makes on renewals.

Ms. Kotowski stated that if passports were not offered at this time, and then in a year circumstances change, it would take about two to three months for employees to be certified again depending on where this would fall during the year.

Mr. Coppler stated there will be discussion going forward on this issue.

It was suggested to offer passports on limited days only.

Ms. Kotowski indicated she will have to contact the Federal Passport Office because when we limited our hours years ago to 12 hours a week other communities were doing appointments only and we chose not to do that at that time. If and when we return to processing passports, she believes we will go to appointments only if that's the direction of City Council. This will allow staff to perform required statutory services first.

**Assessing** – there are no changes to the budget.

**General Government** – they have added all Capital items into Contingency and this will be talked about at future date.

**Communications** – there are no changes. Any Capital requests have been taken out and put into Contingency.

**Building Maintenance** – no changes to the budget.

**Information Technology** – for the most part, this department has not changed, but we exposed a lot of need with COVID-19. Ms. Stowell mentioned that there is \$150,000 in Contingency in General Government. Mr. Coppler said they set aside \$150,000 for IT improvements and they are looking at financial software and putting Community Development online with a service portal to have contractors submit permits, and to schedule inspections. The City's next step is to present different options to City Council on purchases we need to make and where we should be going.

Ms. Rusie asked if the online website cart will be one of the City's goals that will happen this year. She is hoping that we can use this for garbage cans.

**GENERAL GOVERNMENT AND ALL OTHERS (cont'd)**

Ms. Stowell said they didn't discuss Tab 33 as she put a summary for the Utility and this is where utility rates will be found.

Mr. Coppler said the Utility budget is 4.3% water and 2.6% sanitary.

Mr. Vitale said he would like the Utility fund issue to come back up in June. He wants to know why they are raising their rates.

Discussion ensued about water billing and Mr. Frederick asked when the City can go to a monthly water billing via the internet.

Mr. Coppler spoke about the pay scales for seasonal and temporary employees. He said normally there is a City Council resolution for these pay rates for these employees. The City does not have this. He stated there is no good reason why we pay them what we do and it has come to a head at this time. He would like to prepare a proposed grid of what pay ranges should be and give it to City Council as he wants to get a process in place and be up front of what we pay seasonal employees. It was suggested to have this information documented, but ensure they meet the budget number and this will also allow us to hire better talent.

**2. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)** - none

**3. ADJOURNMENT**

**Motion by Council Member Caron, seconded by Council Member Rusie to adjourn the meeting at 8:42 p.m.**

Ayes: All - 6

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KIP C. WALBY  
Mayor

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MARY A. KOTOWSKI  
City Clerk

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