

**MINUTES  
CITY COUNCIL MEETING  
CITY OF ST. CLAIR SHORES  
27600 JEFFERSON CIRCLE DRIVE  
ST. CLAIR SHORES, MI 48081**

Monday, December 7, 2009

**PRESENT:**

Mayor  
Council Members

Robert A. Hison  
Ronald J. Frederick  
David J. Rubello  
Peter A. Rubino  
Candice B. Rusie  
Kip C. Walby  
Beverly A. McFadyen

**ABSENT & EXCUSED:**

**ALSO PRESENT:**

City Manager  
City Clerk  
Finance Director  
Deputy Finance Director  
City Attorney

Kenneth R. Podolski  
Mary A. Kotowski  
Timothy P. Haney  
Sharon Schuster  
Robert D. Ihrie

**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 and informed Council that Mrs. McFadyen had requested to be excused from the meeting.

**Motion by Walby, seconded by Frederick to excuse Council Member McFadyen from the meeting.**

Ayes: All – 6

The Pledge of Allegiance was recited by those in attendance.

Mayor Hison stated that Agenda Item 5, Request for an Amendment to the Site Plan approval PC 06-15A at 29161 Jefferson, Plaid Rabbit, for Seasonal Use of Patio Area, to Allow Year Round Usage, was removed from the agenda at the petitioner's request and that the Closed Session scheduled at the end of the meeting has been cancelled.

Mayor Hison stated that Mike Antushevich, member of the Activities Committee, passed away suddenly on November 25, 2009, and he will be greatly missed. Mayor Hison asked for a moment of silence.

**2. PROCLAMATIONS & PRESENTATIONS - None**

**3. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT) - None**

Ms. Kotowski announced there were none.

**4. REQUEST FROM THE ST. CLAIR SHORES COMMUNITY FOUNDATION TO BE RECOGNIZED BY THE CITY AS A NON-PROFIT ORGANIZATION TO OBTAIN A CHARITABLE GAMING LICENSE**

Mr. Anthony Miserendino, petitioner, asked that his request this evening be corrected, noting that the Agenda was incorrect as they were not requesting to be recognized for a charitable gaming license. He noted that was not the original request he turned in. He does not want a gaming license, and is only requesting to be recognized as a non-profit organization. He does not know where the gaming license information came from.

The St. Clair Shores Community Foundation will be set up like the Library Foundation. They plan to fundraise through donations and grants to support such community projects.

The St. Clair Shores Community Foundation will consist of a Board of Directors. Mr. Miserendino is asking for volunteers from both the residential and business communities. He added that members will not receive any compensation for being on the Board. He would like Council to recommend seven or eight members to be on the Board, with two of them being members of City Council. Then those members will choose the balance of members to serve on the Board.

**REQUEST FROM THE ST. CLAIR SHORES COMMUNITY FOUNDATION TO BE RECOGNIZED BY THE CITY AS A NON-PROFIT ORGANIZATION TO OBTAIN A CHARITABLE GAMING LICENSE (Cont'd)**

The Foundation also plans to assist the St. Clair Shores Public Library, Police and Fire programs, and among others, wants to establish scholarship funds for each of the high schools. They would also like to enhance the Parks and Recreation activities, the Beautification Commission and other various charities such as Kiwanis and Optimist Clubs. He advised that all donations are tax deductible.

The City Attorney asked Council to allow him to research Council appointing a portion of this Foundation's Board as he advised that if the Council appoints the board of Directors, it could cause the non-profit status of the Foundation to take on a connection to the City of St. Clair Shores. The City Attorney added that it is permissible for Council to serve on the Board of Directors, but not to choose the Board. The City Attorney added that Council members could suggest members for the Board in their individual capacity, but not as a Council member.

Mr. Miserendino amended his request.

Council Member Rusie stated that the information included in the packet concerns a gaming license, and she feels she does not have enough information regarding Mr. Miserendino's request.

If there is no request for recognition as a non-profit operating in the City for a charitable gaming request does the Community Foundation need any action by City Council, if they are not seeking this designation?

**Motion by Rusie, seconded by Rubino to table the request of the St. Clair Shores Community Foundation until more information is received.**

Ayes: Rusie, Rubino, Rubello, Walby, Hison  
Nays: Frederick  
Absent: McFadyen

**5. REQUEST FOR AN AMENDMENT TO THE SITE PLAN APPROVAL PC 06 15A AT 29161 JEFFERSON, PLAID RABBIT, FOR SEASONAL USE OF PATIO AREA, TO ALLOW YEAR ROUND USAGE**

This item was removed at the petitioner's request.

**6. PRESENTATION OF THE 2008-09 FISCAL YEAR AUDIT REPORT**

Dave Harrington and Jenny Cederstrom from Plante & Moran addressed Council.

Ms. Cederstrom stated that the revenue has remained flat compared to previous years. Property taxes are the largest revenue at 62% and have not increased. The State Sources contain State shared revenue and State shared grants. There is a reduction of \$250,000 in revenue from the State. In addition, investment income has decreased as a result of the economy.

Ms. Cederstrom stated that expenditures have increased by \$3 million. The transfer which is a direct reflection of the Retiree Health Care Trust Fund has resulted in higher expenditures. In addition, the undesignated fund balance is up by \$300,000.

Mr. Harrington stated St. Clair Shores has had a very good year given the current economic situation. This is the result of conservative budgeting practices, the 5-year forecast, and fiscal responsibility by City Council.

Council Member Walby stated that this is the first year that the City is in deficit. Ms. Cederstrom replied that the City is not in deficit, but expenditures are high. More money has been spent than was brought in.

Council Member Walby stated this will continue to get worse unless changes are made.

Council Member Walby asked if the transfer to the Retiree Health Care Trust Fund included all employees or just Police and Fire. Ms. Cederstrom replied it included all employees.

Mayor Hison stated they are looking at benefits in health care and making changes. Improvements are being made with lower cost. Adjustments are also being made in revenue sharing.

## **PRESENTATION OF THE 2008-09 FISCAL YEAR AUDIT REPORT (Cont'd)**

Council Member Rubino asked if the City will be out of money in two years. Mr. Harrington replied that the County has indicated a 25% decrease, and this has to be addressed and strategic decisions made.

Council Member Rubello stated that if everything continues as it is, and we do nothing, the fund balance will be zero by June 30, 2012. Legislators say that 25% of the cities and townships in Michigan will be subject to foreclosure.

Mr. Podolski stated the news is all gloom and doom, but everyone is looking at ways to cut existing budgets. He stated that internal budget meetings start tomorrow, and they are looking at saving right now. He stated he is looking at the worst case scenario and being ultra conservative. He added that St. Clair Shores is in much better shape than many other cities.

### **Motion by Walby, seconded by Frederick to receive and file the annual audit reports for the fiscal year July 1, 2008 through June 30, 2009.**

Ayes: All – 6  
Absent: McFadyen

Mayor Hison complimented City staff and Plante & Moran on the tremendous job everyone has done and is continuing to do.

## **7. BIDS/CONTRACTS/PURCHASE ORDERS**

### **a. Request to Award Bid for Custodial Services (bids opened 11/24/09)**

Ms. Wolny, Building Maintenance Supervisor, stated the current contract expires on December 31, 2009. The bid ad was run in the St. Clair Shores Sentinel, the Macomb Daily and Daily Tribune and placed on the City website. The ad was also sent to 45 companies listed on the internet. Sealed bids were opened on November 24, 2009. Ms. Wolny explained that the lowest bid was submitted by Du-All Cleaning. Du-All Cleaning does not supply any cleaning products, which is a specification of the bid. They were also confused about the building specifications for the Arena thinking they were only open Saturday and Sunday. When told the Arena was open seven days a week, they felt comfortable leaving their bid as submitted but administration did not feel he could supply products and clean the arena for \$24,000 per year. The arena requires 16 hours per day cleaning and we currently pay \$109,000 annually.

The second lowest bid was from Kristel Cleaning, Inc. They currently have contracts with many surrounding communities and Ms. Wolny stated she has obtained many letters of recommendation. They visited the Troy Center and found they do a great job there.

Ms. Wolny added the City will have a significant savings if the bid is awarded to Kristel Cleaning of \$438,000 over the life of the contract.

### **Motion by Walby, seconded by Rusie to award the bid for custodial services to Kristel Cleaning (2<sup>nd</sup> low bidder) in the total amount of \$635,320 for four years and authorize the Manager and Clerk to execute the agreement.**

Ayes: All – 6  
Absent: McFadyen

### **b. Request to award bid for 22821 Lakeshore Drive (bids opened 11/10/09)**

Ms. Wolny, Code Enforcement Supervisor, explained that bids were opened on November 10, 2009 for this property which was purchased from the county for back taxes in the amount of \$7,505.43. To date, an additional \$804.00 to clean the condo and change the locks has also been expended. A monthly expense for the association fee of \$190.00 and taxes, which are approximately \$2,000, are also incurred. There was one sealed bid in the amount of \$11,555.55. If that bid is accepted, the City would make a small profit of \$3,246.55, less the proration of taxes and outstanding association fees.

Council Member Rubino stated that since only one bid was received, maybe this is not the best way to sell homes. He stated he conducted a survey of the other condos in the area, and this particular one sold at about 25% of what the others sold. He asked how that affects the resale value of the other homes in the area.

**Request to award bid for 22821 Lakeshore Drive (bids opened 11/10/09) (Cont'd)**

Council Member Rusie stated the advertisement in the papers didn't include any description, only the address. Ms. Wolny replied that full packets were available in the City Clerk's Office.

Council Member Rusie asked why there was no minimum bid in the advertisement. Ms. Wolny replied it was a clerical error. The minimum bid was \$44,000.

Mr. Ihrie stated the City's purchasing policy reserves the right to accept or reject all offers/bids.

**Motion by Rubello, seconded by Rubino to reject the bid for 22821 Lakeshore Drive.**

Ayes: All - 6  
Absent: McFadyen

Council Member Walby suggested the City not be involved in the business of selling homes and leave it to the professionals. The City might be able to get a better value from a real estate broker. He added that he hopes homes aren't being sold to employees, relatives of employees, etc. Ms. Wolny assured him they were not.

Ms. Wolny stated she has an appointment with a real estate broker on Thursday to review different packages.

Council Member Rubello stated the City should keep military families in mind for HUD homes.

**8. CONSENT AGENDA**

**Motion by Walby, seconded by Rubino to approve the Consent Agenda items as presented, which include the following:**

**a. Bills**

November 25, 2009 \$2,124,905.99

To approve and release of checks in the amount of \$2,124,905.99, of the report that is 24 pages in length and of the grand total amount, \$482,323.77 went to other taxing authorities.

**b. Fees - None**

**c. Progress Payments**

A&M Construction Company, LLC	\$ 11,012.36
Doetsch Industrial Services, Inc.	\$ 48,516.79
Italia Construction Company, Inc.	\$ 83,900.46
Italia Construction Company, Inc.	\$ 6,163.34
RS Contracting, Inc.	\$ 544.65
Tiseo Brothers, Inc.	\$159,378.21

To approve the above progress payments, subject to audit.

**d. Approval of Minutes**

To approve the following minutes:

City Council	November 16, 2009
City Council Organizational Meeting	November 16, 2009

**e. Receive and File Boards, Commissions and Committee Minutes**

To receive and file the following minutes:

<u>Minutes</u>	<u>Meeting Date</u>
Beautification Commission	September 9, 2009
Fence Arbitration Committee	September 16, 2009

## Receive and File Boards, Commissions and Committee Minutes (Cont'd)

General Employee Pension Board	October 20, 2009
Library Board	October 15, 2009
Parks and Recreation Commission	October 8, 2009
Waterfront Environmental Committee	October 20, 2009
Cool City Committee	September 9, 2009
Dog Park Committee	February 5, 2009
Dog Park Committee	March 5, 2009
Dog Park Committee	September 3, 2009
Older Persons Advisory Committee	October 15, 2009
Police and Fire Pension Board	October 29, 2009
Police and Fire Retiree Health Care Trust Board	October 29, 2009

- f. **To Receive and Deny the Claims of Roxanne Burden v St. Clair Shores and CRN Management, LLC v St. Clair Shores and Refer to Legal Counsel**

Ayes: All – 6  
Absent: McFadyen

### **9. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING**

- PCB Update – Mr. Podolski stated that recent testing showed elevated levels of PCB's within the drains. He received a report from the MDEQ for canals around Bayview, Rio Vista, and Lakecrest which indicated PCB levels are there as well. This is a new area and we are deeply concerned. Mr. Podolski stated a residents meeting would be held at City Hall on Thursday, December 10<sup>th</sup> at 7:00 p.m. with the County, MDEQ and other committees and individuals so this can be investigated. The meeting will be taped so that those who cannot attend can watch it at their homes. Mr. Podolski stated he has also contacted Congressman Levin and Senators Levin and Stabenow and asked them to attend as well.
- Harper Pocket Park Status – Mayor Hison stated things have moved along nicely. Flowers and shrubs will be planted in the spring.

Council Member Rubello stated that the islands look a little strange because some benches are pointed one way and some are pointed in the other direction.

Mr. Podolski stated he has asked Mr. Rayes to put together a report on cost over runs for the Harper Pocket Parks.

### **10. COMMENTS BY INDIVIDUAL COUNCILPERSONS**

**Council Member Rubino** stated he received a phone call about asphalt marks on 12 Mile and Greater Mack. The resident stated the mess was never cleaned up. Also, on the intersection of 9 Mile and Harper, the asphalt is still in middle of road. Mayor Hison stated that Mr. Rayes is aware of the problems and is taking care of them.

Council Member Rubino requested more detail in MAP Committee minutes.

Council Member Rubino stated he has received calls regarding water meters being replaced, and is concerned the meters were not broken. He will provide the City Manager with addresses and requested a follow up report as to the reason the meters were replaced.

Council Member Rubino stated he found information on SEMCOG, and the City is paid up until June. He asked why the City pays to be a member.

Council Member Rubino asked Mr. Ihrie if he had the information he requested on the Ethics Clause. Mr. Ihrie replied he drafted an ethics ordinance and will get it out to Council this week.

**Council Member Rusie** stated the Charter Review Committee should be appointed every 7 years, and 2002 was the last time this was done. She requested that the Charter Committee be convened as required by the City Charter.

Council Member Rusie requested a legal opinion on the Temporary Political Signs Ordinance regarding enforcement, penalty, size, height, number of signs on property, and regulations on the number of signs per parcel, residential and commercial. She requested this be completed before the next elections.

## **COMMENTS BY INDIVIDUAL COUNCILPERSONS (Cont'd)**

**Council Member Rubello** congratulated the Optimist Club on the Poinsettia Ball.

Channel 7 has selected Lake Shore Schools to be featured on its "Best Schools in Michigan" segment which will air at 8:00 p.m. on Wednesday, December 9.

Council Member Rubello asked if Council will receive the list for paving streets for next year. Mr. Podolski replied that the Engineering Department reviews the number of streets, but the worst cases are addressed first. Residents should contact the Community Development Department in writing.

A resident contacted Council Member Rubello and complained because his street was redone and water is still pooling. He asked if the contractor could come back and fix it. Mr. Podolski replied that bond monies are held to make sure the job is completed properly. Residents should contact Bryan Babcock in the Community Development Department if there is a problem.

Council Member Rubello asked how the City is tracking empty homes in St. Clair Shores. Mr. Podolski replied that there is no 100% accurate list. The Water Department can tell where no water is flowing, but there are different reasons for that.

Council Member Rubello asked what can be done to share costs with other cities. Mr. Podolski stated he meets with Department Heads constantly and challenges them to look at ways to deliver services differently.

Council Member Rubello stated that the large brush service had received 145 calls in 2008 and 548 calls in 2009. In addition, leaf pick up has been extended to December 15, 2009.

**Council Member Frederick** thanked everyone who attended the tree lighting. Many organizations attended including the Optimist Club, Activities Committee, Elite Entertainment, the Communication Department, the Department of Public Works, the Corridor Improvement Authority, St. Clair Shores Pageants, Lake Shore Schools, Miss Wishmeyer and Turning Point Dance Studio.

Council Member Fredrick stated Goodfellows donations can still be dropped off at the Fire Departments. He thanked all the volunteers.

State Representative Roberts is holding a coffee hour on December 14<sup>th</sup>, at 8:00 a.m. at Steve's Back Room.

South Lake Student Congress is holding a fundraiser on December 13<sup>th</sup> from 4:00 p.m. to 10:00 p.m.

The City Calendar will be delivered to homes the week between Christmas and New Years.

Council Member Frederick asked Mr. Ihrie what was going on with the Gourmet House. Mr. Ihrie replied a lawsuit was filed five or six weeks ago.

**Council Member Walby** stated he thinks there is an opening on Charter Committee. Mayor Hison replied the Chairperson has resigned. He noted the Sub-Committee doesn't meet until the end of January so this would not be filled prior to February under their interview policy. This committee could still meet one member short in early January.

Council Member Walby requested a presentation on City-owned HUD homes and what is going on with them. The

Council Member Walby stated there has been a 2800% increase in tipping fees. Mayor Hison stated this is not something we want the legislature to move on. SMDA also opposes. He will provide an update from his meeting. Council Member Walby suggested sending a resolution to our representatives.

**Mayor Hison** explained that Little Mack from Harper to 12 Mile (2.84 miles) has deteriorated too soon after being re-done. That area will be re-done again and it will cost \$1 million from Federal Funds, and \$200,000 from the City. Mayor Hison noted that over \$12 million has been received from SEMCOG over the years to do roads in St. Clair Shores.

Mayor Hison thanked the firefighters who volunteered on intersections this weekend on their own time collecting donations for the Goodfellows.

## **11. CITY MANAGER'S REPORT – None**

**12. AUDIENCE PARTICIPATION** (5 Minute Time Limit)

Bruce Terwilliger stated he lives on the canal where the new PCB's have been discovered. He encouraged everyone to attend the upcoming meeting. He would like to put pressure on Sarah Roberts to get a group of people to go to Lansing.

Penny Bowles, resident on Alexander, stated some legislators have been pushing to combine school districts. She feels there should be only one district in St. Clair Shores. She urged residents to call school board members and ask for annexation. Call 776-7549 or 201-1040 for more information.

Dave Consiglio, stated he is concerned about the PCBs found in the Bayview, Lakecrest, and Rio Vista canals. Everyone needs to attend this meeting on Thursday, at 7:00 p.m.

Sue Jesion, 21308 Raymond, stated the old Pet Supplies Plus store on Harper looks bad. Ms. Jesion stated if residents need assistance shoveling, call 296-7989. She added that she is in favor of consolidation of schools.

Jack Doerr, 22407 Bayview, encouraged residents to consider school consolidation. Mr. Doerr added that many years ago, hydraulic fluid drained off of Jefferson into the drains.

Kathy Joerin, 22815 Millenbach, reminded residents that the World Wide Candlelight Event will be held at Veterans Memorial Park on December 13, 2009 at 7:00 p.m. To get a loved ones name on the memorial please call 586-293-6176.

**13. ADJOURNMENT**

**Motion by Walby, seconded by Frederick to adjourn the meeting at 9:20 p.m.**

Ayes: All – 6  
Absent: McFadyen

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

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ROBERT A. HISON, MAYOR

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MARY A. KOTOWSKI, CITY CLERK