

**MINUTES
ST. CLAIR SHORES CITY COUNCIL BUDGET HEARING MEETING
TUESDAY, MAY 1, 2012**

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

Present: Mayor Walby, Council Members Caron, Frederick, Rubino, Rusie, Tiseo, and Vitale

Also Present: City Manager Hughes, Assistant City Manager Smith, City Clerk Kotowski, Directors Haney and Claeson, Attorney Ihrie

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Walby called the meeting to order at 6:00 p.m. Ms. Kotowski, City Clerk, called the roll. A quorum was present and the Pledge of Allegiance was recited by those present.

Mayor Walby indicated they had a good meeting yesterday and will continue with day two.

COURT

The approved budget for the Court is \$1,895,823. Judge Fratarcangeli stated that it is business as usual and the economy has taken a toll on the type of cases they see and noted that the Police Department is doing a great job on cases of home invasions. The economy is showing its face in the 40th District Court in terms of foreclosures and rental evictions which are on the increase. There has been a steady case flow for about the last five years.

In regards to municipalities, Governor Snyder is asking the courts to have dashboards that are measureable. The Court is starting to work on increasing efficiency and effectiveness in the Collections Department and in the way we serve the public and the citizens of City of St. Clair Shores. The Court is looking for ways they can rehabilitate better, prevent better and keep the community as safe as possible.

The Warrant Revenue zeroed out this year since the Police Department removed the position of Warrant Officer for internal reasons. The revenue is still coming in, just not through the Police Department. If the Court has a warrant, they send out a letter telling the recipient they have a warrant for their arrest. Ms. Povich indicated they get a lot of calls in response to these letters. Revenue is still there even without a Warrant Officer, it may just be coming in a bit slower and in a different manner.

Mr. Smith stated that the outstanding warrant number has gone down due to the courts work and working with the Police Department in having on-duty officers go after those outstanding warrants. The increase in outstanding warrants is due to the economy, not due to the elimination of the Warrant Officer.

In joint cooperation between the Court and Police Department, approximately every two weeks Ms. Povich runs a new warrant report broken down by region and zip code which is sent over to the Police Department and they send out patrol officers on these people. They have seen an increase of bond money coming over.

Mr. Tiseo asked about the percentage of success or are they measuring the success? Judge Fratarcangeli stated they have a certain number of warrants at any time and they are going to take a look and see how the old practices compare to the new practice.

Mr. Smith indicated that for people at home that have outstanding warrants, it is much better to show up in court and plead your case rather than have a police officer show up at your door where they will pick you up and bring you into jail.

There are two types of warrants. One is when people don't pay, for example, a ticket they received, which is a money issue and the second is for misdemeanors and felonies. The two warrants are treated differently by the Police Department. They actively seek those people who are a danger to the community and have been very successful.

The Court does not accept credit cards at the window due to associated fees charged by credit card companies, but they offer government payment services where people are able to go online or call their payment in.

SENIOR ACTIVITY CENTER

Membership is up and more people are coming to the Center. They now have more activities and need to extend hours at the Fitness Center. Ms. Fickau has been categorizing hours since people have been asking to extend them. The extended hours are from 7 a.m. – 7 p.m. Monday –Thursday, and from 7 a.m. – 4 p.m. on Friday. This request requires an additional fitness attendant from 1 p.m. – 7 p.m. and classes could be added to bring in additional revenue.

Ms. Fickau stated they spoke to SCOTS (Senior Center Of The Shores) and OPAC (Older Persons Advisory Committee) and feel people would pay an additional cost for the value of hours they can visit the Center.

The proposed cost increase would be different for residents and non-residents and the rate increase will take effect July 1st if Council approves.

The proposed membership increases would be for St. Clair Shores Residents – from \$15/annually to \$25/annually, and for General Public Members – from \$25/annually to \$40/annually

The Senior Activity Center is fundraising where there may be gaps. They lost the Michigan Works Program for the Meal Program for Seniors. If they meet their goal of 4,000 ticket sales, they can have the SCOTS Board vote and turn over a check to the City. Ms. Fickau stated that raffle tickets are on sale for the Senior Center Meal Program for \$5.00 at the Senior Center and the Post Office and the raffle will take place on July 5th at noon at the Senior Center.

Mr. Vitale stated that it looks as if there is a gap of \$2,700 and additional membership is raising \$11,475, but additional expenditure is \$14,237. Mr. Esler said there is \$3,000 allocated in the In-Services line item to go towards that. Strength and training instructors would go to offset the expanded hours at the Fitness Center and the \$3,000 would cover the gap if they do not get the additional new members that are needed. Ms. Fickau stated that the submitted revenue is not with new members, but with additional hours. She stated that she is confident that membership will expand tremendously, even without revenue from classes in Zumba, yoga, etc.

Membership fees for residents is \$25, but classes are an additional fee.

LIBRARY & INFORMATION SERVICES

Mr. Hughes indicated that this is a very difficult budget. He mentioned that the City has a special millage to fund the Library and noted that as the value of homes and businesses in the city drop, the revenue coming in from the library has had a corresponding decrease. The budget being proposed, if we use library millage money only, will have a decrease of expenses of approximately \$208,000 and it was asked how we will make up for that. One position, an Account Clerk II, will remain vacant. The budget as written does not have money budgeted for periodicals (books, magazines, newspapers, etc.). It is a very lean budget reflective of the economy we are in.

Ms. Orlando stated that almost 50% of the population are active library users and have an active library card which is consistent with the last five to ten years. The circulation has continued to go down because material budget allocation has gone down. In 2009/2010 they had a material budget of \$260,000 and they had the highest circulation since 1990 that year. Budget has gone down and so have circulation statistics because they are unable to purchase materials.

Mr. Haney stated that if we went back to 2005/2006 Fiscal Year and came up with an average to 2011, the library returned approximately \$130,000 to the City and if we charged rent as they had anticipated, it would net out to \$80,000. He is confident that \$80,000 will be there at year end.

It is recommended to roll that money in for periodical purchases including magazines and books. Ms. Orlando said the state average for spending for Michigan is \$6.00 per capita. There was an average of \$360,000 last year for material spending in public libraries in the state. St. Clair Shores is spending a little over \$2.00 per capita for materials.

In the current fiscal year, the Friends of the Library picked up periodicals. They agreed to fund that material last year, but don't have those resources this year. They have identified areas that they will pay for this year, but we will still have a gap.

Mayor Walby asked if we took \$50,000 rent out. Mr. Haney stated yes and it is going into the Rainy Day Fund after closing the books.

LIBRARY AND INFORMATION SERVICES (cont'd)

Ms. Rusie stated that a zero budget line for new books is unacceptable. The millage is bringing in a lot less than when it was created. She said we talk about moving young families here, and thinks it is important we keep these up even if the millage doesn't bring in what it used to and we need to make sure this doesn't get too low. She suggested

to look possibly at reducing hours and put that money toward books. She would like to see options and data before this issue comes back to Council. Mr. Vitale said he would prefer to see an hour reduction that would allow us to buy more books, possibly cutting early morning hours so the library is open after school hours.

The library has reviewed their periodical subscription for the last six years and they continue to cut and evaluate that material. They circulate approximately 1,000 periodicals per month with a total circulation of 30,000 items per month.

For the library to receive state aid and be part of a co-op, they need to be open a certain amount of hours. Many communities are having a hard time keeping the doors open and meeting those requirements due to the economy so the state has reassessed the issue and the Library could reduce some hours and maintain their status in the state and in the co-op. When they assessed closing on a Friday, perhaps during the school year, and remain open on a Saturday, they would save between \$15,000 and \$18,000. At the time, they felt for that amount of money, it was worth remaining open when they reviewed those figures.

Ms. Orlando stated that in the 1980's, the City went through a major financial challenge and the library reduced its hours, they moved from the co-op, and didn't receive state aid. They said they were never able to recover that time period and the material. In the budget they have a zero amount for databases to subscribe to anything online. They can't go back to purchase those items because they have to go forward and purchase what is available now. They have a gap in their collection that will never be recovered.

Mr. Frederick said his is not in favor of reducing hours and asked if the Library has a Plan B in dollar amount and what is bare minimum the Library would need? Ms. Orlando said right now she has zero and the state average of public libraries is \$6.00 per capita spending. Mr. Frederick asked about the millage and if it is effective and where we are with it. Mr. Haney said that under state law we could levy up to \$1M that has been rolled back to .9244.

Mayor Walby stated he is not in favor of cutting hours, but is in favor of giving them back \$130,000 for book and periodical purchases.

Mr. Vitale asked about the line item for Computer Services for \$75,000 and if it was for internet terminals. Ms. Orlando said that they receive free internet through the co-op and that the \$75,000 is for cataloging, check-out, check-in, circulation system, and any work staff does to enter material.

Ms. Orlando said the busiest days are Monday, then Tuesday through Thursday and least busiest is Friday when they are open on a Saturday.

Mr. Smith stated that 2011 came in under budget compared to what was budgeted for 2012 because two full-time employees retired and it took a while to replace them.

Ms. Orlando said that the St. Clair Shores Library is a Class 6 Library based on populations over 50,000, and Class 6 spends \$6.00 per capita. Under Class 6 spends an average of \$5.00 per capita.

Mayor Walby said zero is not acceptable and the Library has had cuts throughout the years. He indicated that it is going to come from possibly cutting a small amount of hours and how much of this carryover we want to give. Mr. Smith said he is not hearing anyone saying rather than spend that money on capital, I want to put it into an account and use for something else. If it is not used for that, it should be used elsewhere in the library or put in an account for future use. We should dedicate carryover money to the capital account or keep a portion of it for something else. Mayor Walby asked to see the last five or six years and what it brought. Mr. Smith asked if you don't use carryover money for this, what is its intention? Mr. Smith asked if Administration can give Council a firm estimate of the carryover amount and if Council can give a consensus that it should be put into Capital Account. Council confirmed that it should.

PARKS & RECREATION ADMINISTRATION

Mr. Esler indicated two major issues within Parks & Recreation. First, Ms. Rheaume's position was taken out of 701 and put into 703 at the Civic Arena since she is dedicated to the Arena. Secondly, the transfer of money that pays for the marina and recreation revenue has been decreased to zero right now due to the maturity of the bond. Overall the budget is down \$340,026.

RECREATION

The Recreation Program consists of sports, adult and youth fitness programs, playground programs, special needs programs, etc. The numbers are increasing slightly, but the soccer and baseball programs are growing which are strong quality programs.

Mr. Esler mentioned that on Thursday there is a Special Needs Fundraiser - Coney for Kids, at the Senior Activity Center that is from 4 p.m. – 8 p.m. He indicated that the Fire Department gave \$5,000 for a ramp needed at the pool. The Special Needs Program currently has three openings for the Summer Playground Program. It's a 9-week program that includes field trips to baseball games, the Detroit Institute of Arts, and the Science Center and includes baseball, soccer, and basketball teams.

Mr. Smith stated that the Special Needs Program has outstanding programs with great new ideas and the staffing ratio is astronomical at the Special Needs Camp. He mentioned that both children and adults are part of the program.

ARENA

Mr. Esler stated that the Arena never had to use money from the General Fund. They have a 15-year bond which is paid off June 30th, they will then be debt free. The Arena paid approximately \$147,000 - \$150,000 per year on it.

There are four groups that make the Arena work – the Figure Skating Program, the Learn To Skate Program, Hockey, and Sr. Hockey in addition to clinics during the summer and winter.

The last \$40,000 from debt service is put away for dashboards and programs.

There are less hours projected this year in terms of ice rental and they are down from 7,162 to 6,950. Ms. Rheaume stated they are down in hours since they no longer host Ford Motor Company's hockey teams from 1 a.m. – 3 a.m.

Mr. Rubino asked about the \$67,000 for the Carnival Revenue. Mr. Esler indicated this is money set aside to make capital improvements to the Arena. The last couple of years they made \$13,000 from the Carnival. They will use \$60,000 to make improvements to the ice rink. Mr. Hughes stated that the Carnival Committee carried two different amounts on the budget and they had double counted \$15,000 which appeared two times; this was a typographical error. It was stated that the City does reimburse the Police Department during the carnival.

PARKS

This department was challenged by Mayor and Council regarding RFP's on grass cutting, snow removal, beach cleaning, etc. After the bid reviews, it was more cost efficient to keep these services in-house. Parks & Recreation has reduced the temporary staff and are doing more job pooling. They feel comfortable with the numbers in the budget.

Mr. Esler indicated that Donation Account 941 indicates donations from people who purchase brick pavers, trees, benches in memoriam, etc. Mr. Esler indicated they need to advertise more in regards to people giving donations. Recently, all through donations, they have put three benches out by the water at Veterans Memorial Park.

Mr. Rubino asked if the projects at the dog park have all been completed. Mr. Mehl stated the grass is at a 60% catch right now and it will never be 100% covered because of the very high usage. Mr. Esler stated that the dog park membership has almost 500 members.

Mr. Mehl stated that they need to complete the bocce course and put the memorial in. They also need to paint numbers on the shuffle board course. They will be adding drainage to the park, but will be doing this in sections.

In regards to the baseball diamond rentals, Mr. Mehl stated that the fees collected from the associations are not reflected in this budget. Mr. Esler said there is an increase in group park permits and park passes are steady and

PARKS (cont'd)

there are four weekends where the pavilion is totally booked.

Mr. Mehl mentioned that all the dugouts are roofed at Kyte Monroe and \$15,000 of screening was put in last year. He said the fencing needs to be replaced.

RECREATION REVENUE SYSTEM

This fund is anticipating a net loss of \$62,000 this year, but is better than the projected \$134,000 loss. Mayor Walby stated this will be affected by the recreation revenue bond that is callable in May 2013. They will be presenting to Council a proposal to extend these bonds. It will be borrowing from ourselves by paying ourselves the rent – that is how they save the interest. They can pay in 2016 or 2019 and improve their cash flow and take from a loss to at least a break even. Mr. Hughes stated it is their desire to give options, and can reflect savings in a quarterly budget amendment to be forthcoming.

POOL

Mr. Esler said he feels comfortable that they can cut \$5,000 on operating supplies and \$5,000 on repair and maintenance. They will be sending employees home on rain days and feels comfortable they can save money that way. Family pool passes are \$50 and have paid off well.

Mr. Hughes stated that the Pool and Boating account has a total of \$71,000 expense reduction going back to the first study session in February. The pool is open the same number of hours and days as in the past. Mr. Esler stated that the Fire Department gave them a \$5,000 donation for the pool which was larger than reflected.

Mr. Smith stated there is safety first when it comes to the pool. There may be a reduction in the budget, but safety is not jeopardized and hours are not cut.

Mr. Esler said the pool opens on Memorial Day weekend and then is only open weekends until mid-June when school is out.

BOATING

Mr. Esler stated that temporary help has been reduced and he feels comfortable staying within the budget and offering first-class service. The boat ramp is open at 9 Mile Road and they have taken in about \$1,020 to date. They are asking the gate guards to survey boaters on what city they are coming from. They have had a great April to begin with and are up \$500 from last year at this time.

Mr. Smith indicated that there is nothing in the budget for dredging. Mayor Walby responded that is correct, but if needed, there is money in the Contingency Account. Mr. Hughes said that we are responsible for the canal behind City Hall in regards to dredging. They are comfortable not putting money in, but may ask for contingency money in 2013, if necessary.

Mr. Vitale stated that every line item in the budget is reduced and some quite substantially.

Boat rentals are currently at 56% at Blossom Heath and 40% at Lac St. Clair, down from this time last year by about some 20 boat rentals. The occupancy rate at the marinas is 70% at Blossom Heath and 50% at Lac St. Clair when the season is fully under way.

Mr. Esler indicated that there are day rates at the Lac St. Claire Marina. Mr. Rubino stated that with occupancy rates so low, why don't we have an hourly rate. Mr. Esler indicated that we can do that, but it would cost \$20, or maybe look at reducing it to \$10.

Mr. Esler stated that in regards to advertising, Parks & Recreation has great relationships with newspapers and have reporters come in and they talk about their programs. From this we get free advertising. Mayor Walby asked Mr. Esler to go back and look at advertising, even if minimal.

GOLF

This year with each round of golf played, they will capture an additional \$1.00 to be put into capital items at the golf course. They have discussed job pooling at the golf course and have a temporary employee that can take care of the

GOLF (cont'd)

mechanics. Mr. Esler stated that the City receives above average money when they sell golf carts. Mr. Dorner has been slow in bringing temporary help back which helps with revenue without hurting the greens or facility.

They are anticipating approximately \$50,000 coming in from the Capital Fee. They have started collecting fees as of January 1st and will not spend any of this money until it's in escrow. Mr. Dorner said they are anticipating 25 carts a year in the Replacement Program, but because of everything else they wanted to get done, they decided to go on 5-year replacement program replacing 15 carts per year, spending a little bit less on carts and putting more money into bridge repair and replacing bad cart paths.

Mr. Esler said they currently have 38 leagues with four to five month seasons. Seventeen golf outings have been booked so far this year and they have seen an increase in outings due to a change in policy.

The golf course is up \$91,000 currently from last fiscal year due to the good weather and over 12,000 rounds of golf have been played so far. They have always tried to keep the course open, weather permitting, and found that when the temperature approaches 40 degrees and the sun is out people like to play golf.

Mr. Esler mentioned that per Mr. Vitale's suggestion, they are researching the idea of using the golf course for cross country skiing.

Golf memberships are \$25 for residents and \$50 for non-residents.

ASSESSING

The Assessing budget proposes a reduction of about \$16,000. The major decrease in the budget is due to not filling one position. They are cutting down on overtime and have rearranged how to do things in the January to December cycle which becomes more manageable.

This year the department will complete their reassessment of 20% of homes within the City. They measure approximately 160 homes in a day using two teams of two people. They have completed the area from 11 Mile Road down to where Little Mack and Harper meet, but they have yet to measure Paloma. They have completed about 1,300 homes. The teams are now working at Tangletown and expect to be done sometime next week. They will then move down to the south end and anticipate the project to be completed by July 1st.

Mr. Rubino asked the question of how do my taxes go up when there is decrease in property value. Ms. Socia stated there was an increase in the school district taxes for debt millage which does not need to be voted on. The residents agreed to cover the bonds. If the bonds are going down we still have to make the same payment. Mr. Rubino reiterated that it is not the City raising taxes.

Mr. Hughes mentioned that they are billing for what Macomb Community College is assessing, which of the three school districts you may live in, and taxing jurisdictions that may be raising their mills. He stated that residents have to watch the line items on their tax bill and pay attention to the City portion of the taxes. Ms. Socia stated that because residents taxes may have gone up, but their home assessment goes down, they have eliminated this accompanying line item on the assessment notice that is sent out to homeowners.

CITY ATTORNEY

Bottom line of the budget is being reduced by \$55,000. The reduction is from two areas. First is the reduction of a Labor Attorney which is reduced by \$40,000. Secondly, they were budgeted for \$20,000, but the City is not currently in labor negotiations and not in arbitration. Mr. Smith indicated that about every three years you will see that line item go up because there may be expenses in regards to collective bargaining not going well. Mr. Ihrie makes himself available when the City needs him.

Mr. Ihrie stated that his goal is to make sure the City maintains itself in a legally healthy posture and he has generated a little more hands on approach. The Court is running smoothly and litigants are treated with respect and dignity. He stated that blight is an important issue and they have about 10 - 30 files regarding blight at any given time.

Mr. Vitale stated there is a reduction of \$40,000 and asked where the other \$15,000 is? Mr. Ihrie stated that arbitration fees are reduced by \$15,000.

CITY ATTORNEY (cont'd)

Mr. Ihrie's office is proposing no rate increase.

CITY CLERK/ELECTIONS

There is a modest increase of \$4,000 in expenses due to it being a presidential election year.

Ms. Kotowski stated our Operating Expenses are reduced by 14%, and the increase in temporaries is because of the Presidential Election.

There will be approximately 35,000 votes cast on this November Election Day and the polls will be heavily staffed.

There was the reduction of one permanent full-time employee, but the department is still operating.

Passports continue to generate revenue and the department makes about \$15,000 gross (\$10,000 net) for the City each year. The 2012 Passport Fair generated approximately \$35,000. Ms. Kotowski had worked with the Homeland Security in regards to processing passports because the department is also a vital records office. They allowed her to continue processing passports, if she separated the two job functions.

Mr. Vitale asked about the \$15,000 reduction in Services. Ms. Kotowski stated that in this fiscal year we have three elections, and that amount is for poll workers. The Presidential Election is the one election we need to do crowd control, so this line item doesn't reduce this cost by one election. At City Hall they are lined up at 6:00 a.m. and there is a need to hire more workers for crowd control in November.

Ms. Kotowski indicated that the \$4,000 reduction in office supplies is due to a grant received for e-Poll Books and a decreased in paper products used. She also said that the \$7,000 reduction in maintenance is due to the Secretary of State Office picking up one half of our maintenance agreements for converting to e-Poll Book.

Ms. Kotowski indicated that voting booths have not been purchased in ten years. She received some free booths last year, but the legs and hinges going on some of them and they are unstable, so we are going back to the replacement cycle.

CITY MANAGER

Mr. Hughes indicated that almost all expenses are in personnel. He stated there is a reduction of just over \$9,000 with most coming from the 810 Services Account. There are some expenses in the budget such as the Employee Assistance Program, etc. The City anticipates employing less people this next fiscal year.

FINANCE

Finance includes tax billing, water billing and assessing and there are only minor changes to the budget. Finance was reduced by one full-time employee and there was a need for some assistance so they are proposing a temporary position in the budget.

Mr. Hughes stated there is a \$10,500 request for increases in expenses.

Mr. Haney stated that the \$68,000 for computer software is for a maintenance contract to sophisticated software for financial management, accounts payable, payroll, etc.

GENERAL GOVERNMENT

Mr. Haney stated this budget is mostly retirement related which includes legacy costs, health care, Medicare for general employees, Police & Fire health care, and medical. These are costs that we can't control since people are already retired.

Mayor Walby stated we try our best to keep these costs down.

Health insurance for current retirees is down significantly due to Council making a change to retiree health insurance four years ago. Employees were given improved benefits with a savings to the City. The City will always take a look at Medicare Advantage Plans, etc. to see if they can keep costs down.

GENERAL GOVERNMENT (cont'd)

Mr. Haney also mentioned the Contingency Account and this is where we fund it. He mentioned that the copier at City Hall breaks down several times a week. He mentioned that we have a maintenance agreement, but it is getting quite costly due to age. He asks if it makes more sense to replace it. Mayor Walby asked him to evaluate this and get back to Council before the budget is put together.

BOARDS & COMMISSIONS

Mr. Smith stated that Civil Service is in Boards & Commissions and they anticipate doing less hiring. Psychologicals have decreased from \$24,000 to \$4,000. St. Clair Shores does an outstanding job at screening applicants before hiring for police and fire. Before hiring, applicants go see a licensed psychiatrist and have a background investigation completed on them.

Ms. D'Herde indicated that Communications has \$338,000 of the total budget which includes two full-time positions. They have two volunteer training programs for interns from colleges. Both of their interns have asked to stay on as unpaid volunteers. The biggest item in the budget is Capital Outlay of \$30,000 for a crossover production switcher for cameras in City Hall. It was purchased in 2000 with a good strong maintenance program, but last year it died and they then purchased a loaner. They are still analog on that portion of production and are using an analog loaner with a life expectancy of one year, but they are coming to the end of that one year. Ms. D'Herde stated that the biggest problem is that analog switchers are no longer produced.

Mr. Caron asked how we fund other committees. It was stated that the Activities Committee and Parade Committee have big events. He said he is waiting for Cool City plans because he is concerned about them receiving \$8,000 when, according to meeting minutes, that if they don't spend it they may not get any more. He asked if they can split the money with other committees that are hurting.

Mayor Walby said he doesn't think they will spend \$8,000 this year and the Cool City Committee is looking at a Community Art Project and Dragon Boat Racing for 2013. They do understand they need to have events.

Mr. Caron said the Waterfront Advisory and the Beautification Committee may need the money. They are only looking for material costs since they have volunteer workers.

Mr. Vitale does not understand why we are funding the Cool City Committee since they still don't have a signature event. He is opposed to funding them.

The Mayor and Council discussed options on how to distribute money to the different committees.

Mr. Frederick stated he is in favor of continuing to fund the Cool City Committee.

Ms. Rusie suggested that the Cool City Committee needs to look at fundraising and look at it differently. They need to look at small as well as big fundraising events.

Mr. Rubino would like to see the Beautification Committee get more money. He stated that the Waterfront Advisory Committee does a tremendous service for the community and suggested that maybe the money can be increased to \$30,000 and split it up five ways at \$6,000 each.

Mr. Vitale suggested giving some money to the Beautification Committee and to Environmental Cleanup and to keep the Cool City Committee alive, cut their funding and see what they can do in terms of fundraising and keep the Activities Committee and the Parade Committee the way it is.

Mayor Walby agrees with Mr. Rubino in that the money should be spread out among the committees and see how that works out this year.

Ms. Rusie stated that the Parade Committee has done a lot of fundraising and they have not spent their City allocation last year and won't this year. Mr. Frederick asked why we are giving the Parade Committee money if they will not use it.

Mr. Rubino made another suggestion in giving the two new committees \$3,000 and split up the remaining money for the remaining committees. Mr. Frederick supports Mr. Rubino's suggestion stated above. Mr. Vitale stated that Mr. Rubino's suggestion gives the Cool City Committee \$7,600 which he believes to be too much for him to agree to. He indicated he proposed a community garage sale idea, but has not yet received any emails from anyone on that

BOARDS AND COMMISSIONS (cont'd)

committee in response.

Ms. Rusie said she sent out an email months ago not in favor of funding any committees in these tough times, but had no support for that idea.

Mr. Caron said he could support Mr. Rubino's proposal, but Cool City needs to come back to us with a plan.

Mayor Walby indicated there is enough consensus to go with Mr. Rubino's suggestion and that the Cool City Committee, the Parade Committee and the Activities Committee will get \$7,600 each and that Beautification Committee (\$1,500 current allocation) and Waterfront Advisory (current allocation was zero) will get \$3,000 additional funding each. The budget for the June 4th meeting is to reflect this change.

BUILDING MAINTENANCE

This area consists of three employees who report to Mr. Smith, Assistant City Manager/Human Resources, every day for assignments which may include hanging banners to water issues.

Mr. Caron asked what the \$112,000 Honeywell Program was for under Repairs and Maintenance. Mr. Smith stated that it was the Monitoring Maintenance Program for City Hall, the Library, the Police Department, etc. to take care of repairs and maintenance for this equipment. It is a good system, but the problem is a lot of it is priority hardware and it is not easy to get rid of them. They are replacing those units and can now take care of it in-house and hope to end this agreement in the next couple of years.

Mr. Tiseo asked if the \$36,000 under Oak Management – Blossom Heath is for rent. Mr. Smith stated they must give us so much in capital improvements. The pitched roof will need repairs in next fiscal year and the contract is up in June 2013. It is a fixed amount reflecting the use of that building.

CORPORATE INSURANCE

Mayor Walby stated the insurance carrier bids will be on the May 7th agenda, as bids were opened recently. Mr. Hughes recommended to renew it based on the refund as well as the policy. Mr. Haney said that even without the refund, it is still cheaper.

SPECIAL REVENUE FUNDS & DEBT

Mr. Haney stated that the Special Revenue Funds are used for a single purpose and the Sanitation Trust Fund is the largest one. They are taking just under \$900,000 from the fund and transferring it into Streets and paying for garbage pickup. Penal fines are dedicated to the Library and are small. The Drug Law Enforcement Fund uses funds to pay for the five vehicles being purchased. The Court Billing Fund is accumulated funds which will have about \$1.8M by the end of the fiscal year. Family Rental Program is a federal program to purchase homes through HUD to be rented out to low-income individuals and families. The Computer Replacement Fund, if planned, would spend \$358,000 by the end of the fiscal year. Each department is charged monthly usage to fund this account.

The Debt Listing includes the water and sewer, and street bonds that we issued last October. It includes an estimate for Suburbs Alliance who funded the LED street lights which we are paying back in savings and keeping some money for ourselves. Other debts are all existing at the beginning of the year.

Mr. Hughes said that he was surprised when he arrived in St. Clair Shores to see the debt statement. The City has done an outstanding job of avoiding the inclination to borrow for everything. The City has done very innovative things with grants, etc.

Mayor Walby said they have about 11 instruments of debt and in about 2013/2014 approximately 1/3 of them are paid off.

Mayor Walby recapped items that need to be looked at:

- provide Council with the days and hours the library are busiest/lightest
- provide Council with information regarding the fiscal year 2011 being significantly under budget
- email Council the Library Carryover sheet, for the possible return of a portion of this amount for Book Capital Purchases
- provide Council with information on the number of cities that have closed their libraries

SPECIAL REVENUE FUNDS & DEBT (cont'd)

- correct the double entry in the Parks and Recreation Budget 701 showing the carnival committee revenue of \$15,000 as it is one of the other budgets
- advertise memory benches are available for purchase through Parks & Recreation in local matters and in newsletters
- correct Pool Budget to reduce account 980 pool expense regarding the pool lift purchase to reflect the Fire Union \$5,000 donation
- look at the option of hourly well rates for Lac St. Claire Marina and provide Council with boat wells available listing
- look at advertising for the marina wells
- revise Board and Commission budget to include money for the Beautification and Waterfront Advisory for \$3,000 each and reducing Activities, Cool Cities and Parade Committees by this amount leaving the over budgeted amount to distribute the same
- provide Council with information when the Blossom Heath Inn Contract will be built
- Finance to analyze a new copier and possibly include in fiscal year 2013

PUBLIC PARTICIPATION

Justin Kiritsis, St. Clair Shores resident, stated he is a new member of the Cool City Committee. He stated his opinions on the support for the Library, filling of the boat wells, advertising, debt, education, the pool, and boards and commissions.

Patrick Biange, St. Clair Shores resident, stated that he feels the Neighborhood Watch Signs create more fear than they do good. He suggested the City abolish them.

He also stated that he feels the Nautical Mile lights are too much and too gaudy. He suggested the City stagger them and take out every other light.

He said he feels offended when Council says they are not doing their job for the money and he felt they should not take their salaries.

Mr. Biange said that dog parks should be spread throughout the city so everyone can use them.

Nick Nieto, St. Clair Shores resident, spoke about the youth leaving St. Clair Shores and the City's aging population. He stated he loves the City and asked Council to invest in the future.

Maria Martinez, St. Clair Shores resident, said she arrived with a very different intent to this meeting. She is very proud of the team work Council has done with the budget. She is biased with Parks & Recreation and their programs.

Mayor Walby thanked Council for a job well done and stated there is still work to do.

ADJOURNMENT

Motion by Rusie, seconded by Caron to adjourn the meeting at 9:15 p.m.

Ayes: All – 7

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.)