

**MINUTES  
ST. CLAIR SHORES CITY COUNCIL MEETING  
October 15, 2012**

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

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

Excused: Mr. Frederick

Also Present: City Manager Hughes, City Clerk Kotowski, Director Rayes, City Assessor Socia, City Planner Koto, and City Attorney Ihrle

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

Mayor Walby called the meeting to order at 7:00 p.m. Ms. Kotowski, City Clerk, called roll with a quorum present. The Pledge of Allegiance was recited by those in attendance. Ms. Kotowski advised that Mr. Frederick had asked to be excused from the meeting.

**Motion by Tiseo, seconded by Rusie, to excuse Mr. Frederick from the meeting.**

Ayes: All - 6

Absent: Frederick

**2. PROCLAMATIONS & PRESENTATIONS – S.C.O.T.S**

a. S.C.O.T.S

Ms. Susan Zaroni, S.C.O.T.S member, presented Mayor Walby with a check in the amount of \$8,000 to be deposited in the USDA account. These funds are their proceeds from their recent fundraising efforts in apple pie sales and a fall raffle.

b. Activities Committee Halloween in the Park

Ms. Maureen Antushevich, Chairperson, and Mr. Bill Miller, Co-Chair of the Activities Committee, announced the location change of the upcoming Halloween in the Park. It is being held at Blossom Heath Park, behind Blossom Heath Inn, instead of Veterans Memorial Park. It will be on October 28, from 1:00 p.m. to 5:00 p.m., and admission is \$2.00. There will be cider and donuts, music, hay rides, and trick or treating.

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

Jim Goodfellow, resident of St. Clair Shores, spoke regarding Items #4 and #7. He asked if K&K Stamping were tenants or owners of the business. With regard to the Inspection of Residential Rental Properties Ordinance, he stated he hopes it will not be a blanket checklist and percentage determination. He feels it should be worked on a case by case basis.

William Lawson, resident of St. Clair Shores, spoke regarding Item #7. He stated he has just recently moved into St. Clair Shores and has a rental property. He agrees with the current guidelines, but is concerned with the new guidelines. He would like the checklist to be straight across the board with no discretion, and would want rentals checked every three years. He stated that cleanliness on the inside of the house is not the homeowner's responsibility. If the renter has a filthy bathtub, it is not his responsibility to clean it. Also, if the foundation has cracks in the walls, that should not be an issue unless they are gaping cracks.

**4. PUBLIC HEARING ON REQUEST FOR AN APPLICATION FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE IN THE INDUSTRIAL DRIVE PARK INDUSTRIAL DEVELOPMENT DISTRICT FOR K & K STAMPING COMPANY, LOCATED AT 23015 W. INDUSTRIAL DRIVE**

a. Public Hearing on approval of New Industrial Facilities Exemption Application Certificate

Mr. Hughes explained that City Council created the Industrial Park Industrial Development District at the August 16, 2010 meeting. All required certified notices and publications have been completed by the City Clerk. The petitioner

**Agenda Item 4 (cont'd)**

has asked for a 12-year exemption and Assessor documents indicate this cannot be granted for more than 10 years. This is not property tax, just a proposal to waive a portion of personal property tax. He added they are tenants of the building.

Ms. Socia, City Assessor, and Mr. Ahee, Macomb County Planning Representative, stated that K&K Stamping have been in business for 44 years. The business was started in 1969. They purchased the Industrial Drive facility in 2002, and spent 6 months and a million dollars to fix up. They explained that only approximately 15% of their product stays inside of the United States. They want to take on some additional growth of new business, possibly getting into the aerospace defense business.

Mayor Walby opened the Public Hearing at 7:14 p.m. There were no Public Comments.

Mayor Walby closed the Public Hearing at 7:15 p.m.

Mr. Tiseo asked how many employees K&K Stamping employed. The petitioner replied approximately 45 and this would allow the hiring of 2 – 3 new employees right away and an additional 2 – 3 in the future.

Mr. Caron asked if the equipment is for long term manufacturing. The petitioner replied the equipment is for long term growth and the production of components. Ms. Socia explained that the property tax on the building is still at the current rate. It will change only on the new equipment coming in.

b. Adoption of Resolution and execute Letter of Agreement

**Motion by Caron, seconded by Tiseo to adopt a resolution approving the application of K & K Stamping Company for Industrial Facilities Exemption Certificate for a New Facility Project located within the Industrial Drive Park Industrial Development District for 10-year tax abatement and authorizes the City Manager to execute the documents which reads as follows:**

**Resolution Approving Application of K & K Stamping Company  
For Industrial Facilities Exemption Certificate for a New Certificate**

The following preamble and resolution were offered by Mr. Caron and supported by Mr. Tiseo:

**WHEREAS, pursuant to PA 198 of 1974, as amended, after a duly noticed public hearing held on August 16, 2010, this St. Clair Shores City Council by resolution established Industrial Drive Park Industrial Development District; and**

**WHEREAS, K & K Stamping Company has filed an application for an Industrial Facilities Exemption Certificate with respect to a new facility project to be acquired and installed within Industrial Drive Park Industrial Development District; and**

**WHEREAS, before acting on said application, the City of St. Clair Shores held a hearing on October 15, 2012, at the City Hall Council Chambers, in St. Clair Shores, at 7:00 p.m., at which hearing the applicant, the Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and**

**WHEREAS, construction of the facility and installation of new machinery and equipment had not begun earlier than six (6) months before September 11, 2012, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and**

**WHEREAS, completion of the facility is calculated to and will, at the time of issuance of the certificate, have the reasonable likelihood to retain, create or prevent the loss of employment in the City of St. Clair Shores; and**

**WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of St. Clair Shores, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.**

**NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of St. Clair Shores that:**

- 1. The City Council of the City of St. Clair Shores finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously**

**Agenda Item 4 (cont'd)**

granted and currently in force under PA 198 of 1974, as amended and PA 225 of 1978, as amended shall not have the effect of substantially impeding the operation of the City of St. Clair Shores, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of St. Clair Shores.

2. The application from K & K Stamping Company for an Industrial Facilities Exemption Certificate, with respect to a New Certificate on the following described parcel of real property situated within the Industrial Development District, to wit:

Parcel Number: 14-28-402-002, Property Address: 23015 W. Industrial Drive, St. Clair Shores Macomb County Michigan 48080

Land situated in the industrial district [located within the City of St. Clair Shores, County of Macomb, State of Michigan,] Lots 4, 5 and 66 of FREEWAY INDUSTRIAL URBAN RENEWAL PLAT, according to the plat thereof recorded in Liber 56 of plats, pages 43 and 44, Macomb County Records commonly known as 23015 W. Industrial Drive, St. Clair Shores, Michigan

3. The Applicant agrees and understands that in the event an appeal of the assessment on the facility is filed with the Michigan Tax Tribunal, the City Council at its discretion, has the right to reduce the term of the abatement certificate, provided that the applicant and or/or its representative and the City Assessor are first Given the opportunity to address the Commission as to the merits of the appeal.
4. The Industrial Facilities Exemption Certificate, when issued, shall be and remain in force for a period of 10 years after the tax day of December 31, 2012 on which the exemption becomes effective.

Ayes: All - 6  
Absent: Frederick

**RESOLUTION DECLARED ADOPTED.**

I, Mary A. Kotowski, the duly qualified and appointed City Clerk of the City of St. Clair Shores, Macomb County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council held on Monday, October 15, 2012 the original of which is on file in my office.

Mary A. Kotowski, MMC  
St. Clair Shores City Clerk

**5. REQUEST FOR SITE PLAN APPROVAL FOR AN ADDITION TO THE EXISTING GAS STATION CONVENIENCE STORE LOCATED AT 28500 LITTLE MACK, PPC120017**

Architect Ilia Marko of Serra-Marko & Associates and Petitioner Louie Kasyouhanan were present.

Ms. Koto, City Planner, explained that the proposed addition to the existing gas station convenience store at 28500 Little Mack would result in a 2,856 square foot building with a reconfigured parking lot. The expansion would occur on the north and northeast sides of the existing building. The addition will be jumbo brick, with the front façade addition matching the existing brick. More room for retail portion. This plan requires a 20 foot rear setback variance. No variance is required on the north side of the property.

Mr. Caron asked when they were scheduled to go in front of the Zoning Board of Appeals. Ms. Koto replied sometime in November, but the construction documents can be submitted in advance. Mr. Caron asked if the tire air station is in the place where a new parking spot will be. The petitioner replied it is, but the station will stay there.

Mr. Vitale stated the property is always kept in good condition, and it will hardly be noticeable from the street. Mr. Vitale stated there is a fire lane dedicated in front of the property, and asked if something could be put in front of fire lane. Ms. Koto replied if anything was put there, it would inhibit fire trucks in the event of a fire.

Mr. Rubino asked if this item should go before the Zoning Board of Appeals before coming before City Council. Ms. Koto replied it goes before the Zoning Board of Appeals last. Everyone within 500 feet will be contacted about the variance.

**Agenda Item 5 (cont'd)**

**Motion by Vitale, seconded by Caron to approve the site plan PPC120017 for an addition to the existing gas station convenience store located at 28500 Little Mack, as recommended by the Planning Commission and subject to the conditions of the City Planner's report including 1) The front façade will be constructed to match the existing brick and remaining new elevations will be jumbo brick, 2) A landscape plan is required to include concrete curbs, catch basins and drainage, 3) All mechanical equipment must be properly screened, 4) A variance from ZBA is required for the rear yard setback, 5) A 30" brick knee wall that matches the brick on the façade is required along the south and east sides of the parking lot, 6) Each statement of intent, promise and/or pledge made by you, the petitioner or agent, either orally or in writing, if permitted by Ordinance, shall be binding upon the petitioner and shall be a condition of said site plan approval.**

Ayes: All - 6  
Absent: Frederick

**6. PLANNING COMMISSION CASES 120018 & 120018A FOR 22631 MACK AVENUE**

a. PPC120018 Request for Rezoning from RA Single Family Residential to P-1 Parking, on the north side of Elizabeth, for use by 22631 Mack Avenue, as a parking lot

The petitioner is requesting to rezone 22129 Elizabeth from RA Single Family Residential to P-1 Parking to be permanently acquired and used by 22631 Mack Avenue as an extension to the existing parking lot. Dr. George Goffas is the owner of 22631 Greater Mack and explained that he is looking to increase the parking around the existing building to be used primarily for the people who work in the building.

Mr. Tom Kellogg, Project Engineer, spoke for the petitioner, Dr. Goffas. It was noted that there is a neighbor who is not happy about the rezoning, but if Council agrees to let it be rezoned, she wants her property maintained during the construction.

**Motion by Rubino, seconded by Tiseo to approve the request for rezoning PPC120018 from RA Single Family Residential to P-1 Parking at 22129 Elizabeth and the City of St. Clair Shores Ordains that Zoning Ordinance 15.1000 shall be amended by the following Rezoning:**

**(177) *Rezone from RA Single Family Residential to P-1 Vehicular Parking District at 22129 Elizabeth. 22129 Elizabeth – Gschwind's Mack Avenue Gardens Subdivision Lot 138, Liber 7 Page 86 Macomb County Records, Macomb County, Michigan, northwest corner of Elizabeth and Greater Mack, 155 feet from Greater Mack, from RA Single Family Residential to P-1 Vehicular Parking District. (effective on December 12, 2012)***

Any ordinance or parts of any ordinance in conflict with any provisions of this ordinance are hereby repealed.

This Ordinance shall become effective 7 days after publication and copies of this ordinance are available at the Office of the City Clerk 27600 Jefferson Circle Drive, St. Clair Shores MI, 48081 during normal business hours 8:00 a.m. – 4:30 p.m. Monday through Friday.

STATE OF MICHIGAN )  
COUNTY OF MACOMB )

We hereby certify that the foregoing ordinance is a true copy of an ordinance as enacted by City Council on the 15<sup>th</sup> day of October 2012 and that the necessary Charter provisions have been observed.

\_\_\_\_\_  
Kip C Walby, Mayor

\_\_\_\_\_  
Mary A. Kotowski, City Clerk

I, Mary A. Kotowski, City Clerk of the City of St. Clair Shores, hereby certify that the foregoing ordinance was published in the Sentinel Newspaper on December 5, 2012 by posting true copies of the same in each of the following places: Police Station, 27665 Jefferson Avenue, Fire Hall, 26700 Harper Avenue, and City Hall, 27600 Jefferson Circle Drive and shall become effective on December 12, 2012.

\_\_\_\_\_  
Mary A. Kotowski, City Clerk

**Agenda Item 6 (cont'd)**

**Published: 12/05/12  
(ord. amendment eff. December 12, 2012)**

Ayes: All - 6  
Absent: Frederick

b. PPC120018A Request for Site Plan Approval for additional parking at 22631 Mack Avenue

The Planning Commission had told Dr. Goffas previously that they would prefer not to have parking islands. It was indicated that the petitioner is trying to create green space.

Mr. Caron asked if there was a space between the wall and driveway. Mr. Kellogg replied that the driveway does not go all the way to the property line.

Mr. Vitale explained that sometimes we have a problem with graffiti on walls in the City. It is the owner's responsibility to remove it.

**Motion by Vitale, seconded by Rubino to approve the Site Plan PPC120018A for additional parking at 22631 Mack Avenue, as recommended by the Planning Commission and subject to the conditions of the City Planner's report, including 1) The petitioner being required to submit engineered drawings of the parking lot to include concrete curbs, catch basins, and drainage, 2) The 30" knee wall proposed along Elizabeth Street is required to be brick, with a concrete or limestone cap, 3) The parcels should be combined to ensure the parking area will be available to 22631 Greater Mack, 4) Each statement of intent, promise and/or pledge, made by you, the petitioner or agent, either orally or in writing, if permitted by Ordinance, shall be binding upon the petitioner and shall be a condition of said rezoning and site plan approval.**

Ayes: All - 6  
Absent: Frederick

**7. AMENDMENTS TO ORDINANCE 18.200 INSPECTIONS OF RESIDENTIAL RENTAL PROPERTIES**

A request was made by members of City Council to revise the rental ordinance in such a manner that would incentivize landlords whose properties are extremely well-maintained. Several types of ordinance were reviewed, including a point system and a percentage system. A percentage system has been chosen for ease of enforcement, however, still with weaknesses. A percentage system does not take into account the severity of a deficiency like a point system would. This proposed ordinance gives the landlord the option to renew their registration every two or three years if they achieve 100% compliance. The proposed ordinance also requires a minimum of 75% compliance for interior conditions and 90% compliance for exterior conditions. This would repeal the existing ordinance and adopt the new one. A percentage system will be put in place to identify problematic properties.

Mr. Hughes stated they are aware that rental properties are a healthy component of the City, but they can also create problems for the City. A new Rental Property Inspector was recently hired to assist with the inspection of residential rental properties.

Ms. Koto stated a new Rental Ordinance has been drafted which incorporates several new sections that will be based as a sort of merit program. If there is 100% compliance by the landlord, they can petition to add one year to their rental certificate. If property falls below 60% compliance, the extra year is lost. There are holes in this proposed ordinance. If you have a list of small problems could prevent you from the extra year. Yet if you have two major problems, you will be able to keep the extra year. The newly hired Rental Inspector uses the list from this ordinance. This criteria is also the same as Roseville uses. We have approx 6,000 rental units in the City, and 1900 properties. One problem is that it takes a period of time for the inspector to get through all the properties. Another problem is tracking of who would be up after 2 years, and who would be up after 3 years. There has to be some sort of trigger mechanism.

Mr. Vitale stated he has a rental in the City and he never knew that there was an option to not fix 100% of what is on the violation list.

Mr. Vitale stated he has discussed previously about homes listed on Craig's List without an address for rental. He asked if staff could call or email to the number listed to get address to find out if the home is registered with the City as a rental. He added that the best staff time is spent tracking down people who are not complying with the law.

Mr. Vitale stated there is a property on Stephens that is a rental with large rat boroughs, garbage in shed, and other

**Agenda Item 7 (cont'd)**

violations. He asked if they still have their rental certificate. Ms. Koto replied they do. Mr. Vitale stated that the certificate should be pulled. Ms. Koto answered that she does not believe the existing ordinance allows for that.

Ms. Rusie was concerned about item 18.158 under 'Credentials' of the proposed ordinance. It states that 'any representative of the Building Division or its designated agent shall, *if requested*, disclose proper credentials before inspecting any and all buildings and/or premises in the performance of their duties under this ordinance'. Ms. Rusie requested that "*if requested*" be removed. Ms. Rusie also asked if a family member is staying in a home, but not paying rent, is that still considered a rental. Ms. Koto replied it was.

Mr. Rubino stated that with the percentage or point system, he thinks that 90 % compliant should be three years, less than 60% should be two years, and less than that should be annually. The good landlords should be rewarded and the bad punished. If one inspector cannot handle all the inspections, hire additional inspectors. They should pay for themselves.

Mr. Tiseo stated he doesn't see the need for having 75%. The waiting is going to be an issue. In this ordinance, violation for high grass is 8 inches, but for residents it is 6 inches. This is not consistent.

Mr. Tiseo requested an example for 18.156, Conditional Certificate of Approval. Ms. Koto replied that this is old language. She explained that if there are violations, but they are not health related, a conditional approval can be given.

Mr. Vitale stated he is concerned about staff time to figure all these percentages out.

Council decided more information was need on this item.

**Motion by Rubino, seconded by Caron to table the approval of Ordinance 18.200, Inspection of Residential Rental Properties to November 19, 2012.**

Ayes: All - 6  
Absent: Frederick

**8. ADOPTION OF WATER QUALITY RESOLUTION**

Mr. Rubino stated that Lake St. Clair is not the sewer for surrounding communities. Sewer overflows end up in the lake, and our ecoli count is high. He stated that the ecoli in Veterans Memorial Park is of human origin. He added that other cities are not properly treating their sewage and the people in Lansing need to know this. He wants to let people in Lansing know what is going on.

Ms. Rusie added that some of the language needs to be explained further.

Mr. Rubino stated that 'of human origin' needs to be added after high ecoli count.

**Motion by Rubino, seconded by Rusie to table the resolution to improve the water discharge of municipalities within the Lake St. Clair Water shed to October 29, 2012.**

Ayes: All – 6  
Absent: Frederick

**9. BIDS/CONTRACTS/PURCHASE ORDERS - None**

**10. CONSENT AGENDA** – All items listed on the consent agenda are considered to be routine and will be enacted by one motion and approved by a vote of City Council. There will be no separate discussion of the items unless the Mayor and or a Mr. so requests, in which event the item will be removed from the general order of business and considered under the last item of the Consent Agenda.

**Motion by Caron, seconded by Tiseo to approve the Consent Agenda items a – f, which include the following:**

**a. Bills**

**October 4, 2012**

**\$8,952,165.90**

**Agenda Item 10 (cont'd)**

**b. Fees**

|                    |              |
|--------------------|--------------|
| Ihrie & O'Brien    | \$ 16,087.20 |
| Kirk, Huth & Lange | 931.85       |

**c. Progress Payments**

|                                |               |
|--------------------------------|---------------|
| C&L Enterprises                | \$ 193,071.30 |
| C&L Enterprises                | 92,202.29     |
| Doetsch Environmental Services | 52,444.97     |
| Doetsch Environmental Services | 35,573.68     |

**d. Approval of Minutes - None**

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

To receive and file the following minutes:

| <u>Minutes</u>                          | <u>Meeting Date</u> |
|---|---------------------|
| Beautification Commission               | May 9, 2012         |
| Beautification Commission               | June 13, 2012       |
| Police & Fire Pension Board             | August 30, 2012     |
| Police & Fire Retiree Health Care Board | August 30, 2012     |
| Waterfront Environmental Committee      | September 18, 2012  |
| Zoning Board of Appeals                 | September 6, 2012   |

**f. Investment Review Policy**

The Finance Department takes the investment of public funds very seriously as required by State Law, the City of St. Clair Shores maintains an investment policy which is reviewed annually by City Council. No changes are proposed. We monitor authorized institutions with the help of Ambassador Capital Management published bank ratings.

**CITY OF ST. CLAIR SHORES INVESTMENT POLICY**

**I. POLICY**

It is the policy of the City of St. Clair Shores to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow needs of the City and conforming to all state and local statutes governing the investment of public funds.

**II. SCOPE**

This investment policy applies to all financial assets of the City of St. Clair Shores. These funds are accounted for in the City of St. Clair Shores' Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Trust and Agency Funds
- Enterprise Funds
- Debt Service Funds
- Internal Service Funds
- Any new fund created by the City Council, unless specifically exempted by the Council.

This investment policy applies to all transactions involving the financial assets and related activity of all of the foregoing funds.

This investment policy does not apply to the assets of the Police and Fire Pension Fund or the General Employees' Pension Fund or the VEBA Trust (when established), which are controlled by their respective Board of Trustees, nor the assets of the ICMA Deferred Compensation Program, which are managed by the ICMA Retirement Corporation.

**Agenda Item 10 (cont'd)**

**III. PRUDENCE**

Investments shall be made with judgment and care, which persons of prudence, discretion and intelligence exercised in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures of the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**IV. OBJECTIVE**

The primary objectives, in priority order, of the City of St. Clair Shores investment activities shall be:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might reasonably be anticipated.
- **Return on Investment:** The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow needs of the portfolio.

**V. DELEGATION OF AUTHORITY**

Authority to manage the City's investment portfolio is derived from section 10.061 of the City Charter:

The City Treasurer shall have the custody of all moneys, bonds, mortgages, notes and securities belonging to the City.

Management responsibility for the investment program is hereby delegated to the City Treasurer, who shall operate the investment program consistent with this investment policy and state statute. In the Treasurer's absence, the Deputy Finance Director or the Director of Finance shall conduct the investment program.

**VI. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the City's portfolio.

**VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The Treasurer will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Michigan. These may include "primary" dealers or regional dealers that qualify under Security & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No public deposit shall be made except in a qualified public depository as established by local ordinance and state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state registration, completed broker/dealer questionnaire and certification of having read and willingness to follow the City of St. Clair Shores' investment policy.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer through which the City of St. Clair Shores invests.

**VIII. AUTHORIZED AND SUITABLE INVESTMENTS**

The Treasurer's investment of surplus funds shall be consistent with Public Act 20 of 1943, as amended and Public Act 367 of 1982 (see attached public acts). Authorized and suitable investments shall include:



**Agenda Item 10 (cont'd)**

- a. Bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States (does not include mortgage pass-through securities and related instruments).
- b. Direct purchase of Certificates of Deposit, savings accounts, deposit accounts, lockbox accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the State of Michigan.
- c. Commercial paper rated at the time of purchase with the highest classification established by not less than two standard rating services (example A1P1) and matures not more than 270 days after the date of purchase.
- d. Top Quality Bankers' Acceptances issued by United States banks.
- e. Repurchase agreements consisting of instruments in section VIII (a).
- f. Investment pools organized under the Surplus Funds Investment Pool Act, 1982, P.A. 367, MCL 129.111 to 129.118. Also, all pools must follow Rule 2a-7 of Investment Company Act, which mandates funds to maintain certain standards, including 13-month maturity limit and a 90-day average maturity on investments, to help maintain constant value of one dollar.
- g. Mutual Funds registered under the Investment Company Act of 1940 and funds consisting of Investments listed in Section VIII (a) to VIII (d.) The funds must follow Rule 2a-7 of the Investment Company Act, which mandates funds to maintain certain standards, including 13-month maturity limit and a 90-day average maturity on investments to help maintain a constant net asset value of one dollar (\$1.00).
- h. Obligations described in subdivisions (a) through (g) of Sec 1 (1) of PA 20, if purchased through an interlocal agreement under the urban cooperation act of 1967.
- i. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.

**IX. SAFEKEEPING AND CUSTODY**

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the City Of St. Clair Shores shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

**X. DIVERSIFICATION**

The City Of St. Clair Shores will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

**XI. MAXIMUM MATURITIES**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than 1 year from the date of purchase. Reserve funds may be invested in securities exceeding 1 (one) year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

**XII. INTERNAL CONTROL**

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

**XIII. PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the City. The City's investment strategy is passive, (buy and hold). Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be the three-month Treasury bill.

**XIV. REPORTING**

An investment summary shall be submitted by the Treasurer to the City Council not less than quarterly.

**Agenda Item 10 (cont'd)**

**XV. INVESTMENT POLICY ADOPTION**

The City Of St. Clair Shores' investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.

**City of St. Clair Shores Authorized Financial Institutions as of October 2012:**

**Ambassador Capital Management, Bank of America Corporation, Charter One Financial, Inc., JP Morgan Chase & Co, Chemical Bank, Comerica Incorporated, First State Bank of East Detroit, Huntington Bancshares Incorporated, KeyCorp, MBIA Municipal Investors Services Corporation, PNC Financial Services Group, Inc., TCF Financial Corporation, Private Bancorp, Inc., Level One Bank, Wolverine Bank, Mercantile Bank**

Ayes: All - 6

Absent: Frederick

**11. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING**

- **Laukel Street Lights** - Mr. Hughes announced that street lights were installed in early October.
- **Sidewalk Replacement District 1** - Mr. Hughes stated that Italia Construction will be out to mark District 1 Sidewalk Replacement going south, west of Harper.
- **Rodent Issue at former Giglio Bakery building** – question raised regarding any health violations in the vacant Giglio's building. Mr. Rayes replied the receiver has not returned his calls, and Mr. Ihrie is trying to contact them.
- **Water Bill rates comparison with other municipalities** - Mr. Hughes stated that surrounding communities show that we are toward the high end for quarterly water rates on our bills. He explained that all of those communities purchase their water from Detroit, and they have options on how they pass their expense. Some of them have not passed 100%, and have added from their General Fund. Some of them have a higher industrial base. The expense is still passed on one way or another to the residents.
- **Tar on Jefferson Avenue by Grosse Pointe Shores** - Mr. Hughes stated there is still a problem with tar on Jefferson Avenue by Grosse Pointe Shores. It is a carryover from when the contractor did repaving. The City Manager from Grosse Pointe Shores has assured us that he will not make the last payment to the contractor unless the tar is cleaned up. If they still don't comply, he will hire another company and then bill the original company.
- **Mutual Aid Agreement Concerns with City of Eastpointe service changes** - The City of Eastpointe has authorized their City Manager to join into a contract with MEDSTAR. Everything is now done by firefighters, but next week they will be using MEDSTAR and not firefighters. St. Clair Shores has a Mutual Aid Agreement that will not be effective if firefighters are responding to medical calls. We are also in discussion with Roseville.
- **Economic Development Recruiting Tour** - Mr. Hughes stated he attended the Economic Development Recruiting Tour in Chicago with Mr. Rayes. This is where national retailers went to Chicago to recruit. They spent two days there and had an opportunity to walk around and sell St. Clair Shores. Some contacts were made and he will follow up with some of these companies. He added that the opportunity to talk with national brokers was invaluable.
- **City Webpage Redesign** - Mayor Walby asked how the City webpage was coming along. Mr. Caron replied that everything is on track, and they are in the final stages of approving the website page design. They will be putting bits and pieces on the website for people to see. The navigation page is finished. City employees have until the end of November to enter the content for their departments. Mr. Caron stated they are still on track for January 1, 2013.
- **Resident Request for City to file lawsuit on behalf of resident** - Mr. Hughes stated that there is no lawsuit that the City can file against a person. The City is not going to sue the neighbor that has the air conditioning unit that is bothersome because the City approved the installation. Sometimes people are not happy with the decision that the City makes, and sometimes people make mistakes. If the City makes a mistake, it does its best to rectify it. Mr. Hughes stated that Mr. Mariano believes the City made an error with the placement of an air conditioning unit and downspouts. The City doesn't believe it has made a mistake. There are appeal bodies or courts to make a decision in cases like this. If the City is told to correct the situation, it would abide. As of now, this is closed from the City's point of view.

## **12. COMMENTS BY INDIVIDUAL COUNCILPERSONS**

**Council Member Vitale** stated that Mr. Ihrie is in the process of pursuing 51 homes with a demolition order, due to blighted issues.

Mr. Vitale stated he knows Mr. Mariano, and he sees both sides of the problem. He suggested having the City pour a curb against the slab to help resolve the downspout issue.

Mr. Vitale stated residents have asked him why he voted the way he did on the Court issue. Mr. Vitale replied he wants to clarify that he never said that non-union contractors do sub-standard work.

**Council Member Caron** thanked the Optimist Club for hosting an Appreciation Breakfast for the following firefighters: Chris Krotche and Eric Retzback for their successful 2011 AFG grant application; Scott Campbell for mentoring EMS students; Michael Haddad for a Rookie Firefighter recognition; Jesse Thompson, Mike DeCraene, Jim Nichols, Ryan Koepp and Bryan Pittiglio who are members of the Macomb County Technical Rescue Team, and Matt Larivee who is a member of the Macomb County HazMat Team.

Mr. Caron stated the open house held at the Fire Department last Sunday went very well.

Mr. Caron thanked Mr. Maloof for the new pavilion he donated to Veterans Memorial Park.

Mr. Caron stated there will be a Halloween Party on Saturday, October 21, at the Statler Dog Park.

Mr. Caron stated the AT&T work at 14 Mile and Harper is done, and thanked Mr. Babcock.

Mr. Caron stated that the Parks & Recreation Department planted new trees and shrubs at 11 Mile and I-696.

Mr. Caron stated that some residents received a letter from a water line service company explaining various services, and encouraged residents to be vigilant in reviewing these types of companies.

**Council Member Rusie** asked since we have Mutual Aid with Eastpointe, if they use MEDSTAR, would it stop our ambulance runs to Eastpointe, and requested to see how this would impact our budget.

'Jams & Java' will be held at the Senior Center on Wednesday, October 17, from 5:00 to 8:00 p.m.

The annual Halloween Boo-B-Q Luncheon will be held at the Senior Center on Friday, October 26, at noon. The cost is \$10, and they are looking for volunteers and donations of decaf coffee.

Ms. Rusie stated that the Ladies Auxiliary is holding a Women's Expo on November 13 at the Bruce Post. It is from 6:00 p.m. to 9:00 p.m. For more information, call 586-899-9554.

**Council Member Rubino** stated he is the Council Liaison for the Waterfront Committee. He recommended using swales to filter water going into drains. Mr. Rubino stated he is under the impression that this can be done at a very low cost. Mr. Rayes replied he will check into the cost.

Mr. Rubino asked that if Italia doesn't finish their work, what is done. All interior streets should be finished on time.

Mr. Hughes stated he thinks it's more important to get the residents aprons done instead of sidewalks in district one before winter sets in. Mr. Hughes stated he will go to Italia and tell them it is unacceptable and that the aprons need to be done first.

Mr. Rubino stated he is concerned regarding the demolition of a home based on hearsay. He urges the Community Development Department to put together some kind of strategy to go through before something is brought to court. If someone is trying to make a home better, how can you just take that away from them? If there is a mortgage on a home, the City should not be trying to demolish it.

Mr. Rubino stated that recently his dog was lost and then returned to him. He wanted to thank everyone who was responsible for finding his dog.

**Council Member Tiseo** stated there have been a handful of properties that Council has commented on. He stated you cannot always tell what is going on inside from the outside. A system has to be put in place.

Mr. Tiseo thanked Mr. Maloof for his donation of the Maloof Family Pavilion. He added that the dedication was a very

**Agenda Item 12 (cont'd)**

touching ceremony.

Mr. Tiseo stated there are many Mom-to-Mom sales in the area. This is a great way for moms to save money. St. Isaac Jogues is having a Mom-to-Mom sale Saturday, October 20, from 8:30 to 1:00 p.m. Strollers are not allowed.

**13. CITY MANAGER'S REPORT**

Mr. Hughes announced that our Finance Director, Tim Haney, recently received the Honorary Lifetime Membership Award from the Michigan Government Finance Officers. Mr. Haney has been the City's Finance Director for 23 years.

Mr. Hughes announced that the Director of Parks and Recreation, Greg Esler, is a basketball coach and belongs to the Basketball Coaches Association of Michigan. He is very successful in giving back to the boys he mentors. He was recently inducted into the Hall of Fame, and his photo will now hang at the Chrysler Arena in Ann Arbor.

**14. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)**

Mr. Duane Michno, resident of St. Clair Shores, stated we have many great events in St. Clair Shores, and he enjoyed the dedication of the Maloof Family Pavilion.

Matt & Eliza Ahearn, residents of St. Clair Shores, invited everyone to the ribbon cutting ceremony and grand opening of their new facility, Wally's Custard and Coffee, on October 27 at 11:00 a.m. Mayor Walby welcomed them and stated he is glad they are here and they did a great job fixing the building up.

Jamey Victory, resident of St. Clair Shores, stated that there is safety in numbers, and warned women that it is easy for a purse to be stolen.

Mr. William Lawson, resident of St. Clair Shores, stated that he recently bought a blight duplex property in St. Clair Shores. He wants to rehabilitate it. Mr. Lawson stated that Mr. Esler, Parks and Recreation Director, tried to charge him 'out of resident' rates because he didn't change the address on his driver's license. He stated he is ex-military, and doesn't have to change it. He added it was a hassle for him, and would like to make the process easier. Mr. Lawson added that the City owns the rental property next door to him and it doesn't get inspected. The shed is in disrepair, as well as many other things.

Terry McGregor, resident of St. Clair Shores, stated there is a horrible rat problem on Glenwood.

Donald Lobsinger, resident of St. Clair Shores, stated he would like City Council to prepare a proclamation in defense of religious freedom.

Jack Downey, resident of St. Clair Shores, stated that the City Manager has admitted he is stumped as to how to get rid of the rodents. Mr. Downey stated he is not happy with Landscape Services. They are a landscape company, not a rodent control company. Mr. Downey feels that bordering communities should be contacted and we all need to work together.

**15. MAYOR'S COMMENTS**

Mayor Walby stated it was his pleasure to do two ribbon cutting ceremonies recently, one for the Maloof Family Pavilion and one for the fitness room at the Senior Center. He thanked everyone for their help.

Mayor Walby stated that the Financial Report/Audit will come in the first week of December by Plante & Moran. When the City was working on the 2011-2012 budget, they anticipated a shortfall of over \$800,000.00 and there is good news in the fact that the City is not short, but instead there is \$1.2 million in additional money that will be put into the Rainy Day Fund. He thanked everyone for all the sacrifices they have made.

Mayor Walby asked everyone to support our troops on Halloween. Donations and care packages can be dropped off at 30140 Harper on November 1, 2012, from 3:00 to 7:00 p.m.

**16. REQUEST TO ENTER CLOSED SESSION AS PERMITTED BY STATE STATUTE MCLA 15.268, SECTION 8(A)**

**Motion by Rubino, seconded by Rusie to enter Closed Session at 9:36 p.m.**

Ayes: All – 6  
Absent: Frederick

**Agenda Item 16 (cont'd)**

**Motion by Rubino, seconded by Caron to return to Open Session at 9:44 p.m.**

Ayes: All – 6  
Absent: Frederick

**17. ADJOURNMENT**

**Motion by Rubino, seconded by Caron to adjourn the meeting at 9:45 p.m.**

Ayes: All - 6  
Absent: Frederick

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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).