

**MINUTES
ST. CLAIR SHORES CITY COUNCIL MEETING
MARCH 1, 2010**

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

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

Also Present: City Manager Podolski, Assistant City Manager Smith, City Clerk Kotowski, Directors Corless, D'Herde, Haney, Schuster, Deputy Chief Willette, and City Attorney 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. The Pledge of Allegiance was recited by those in attendance.

Mayor Hison mentioned that agenda item 2, Waste Management Presentation Proposing A Recycle Rewards Program was removed and agenda item 11, Request To Enter Closed Session As Permitted By State Statute MCLA 15.268 Section 8(F) was added.

Mayor Hison mentioned the Special Council Meeting to interview candidates for City Manager on March 6, 2010 starting at 8:30 a.m. and the Special Council Meeting to select the new City Manager on March 8, 2010 at 7:00 p.m. He asked to include the ethics ordinance on the March 8 Agenda.

2. ~~PROCLAMATIONS & PRESENTATIONS – WASTE MANAGEMENT PRESENTATION PROPOSING A RECYCLE REWARDS PROGRAM~~

3. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT) – NONE

4. BIDS/CONTRACTS/PURCHASE ORDERS – PURCHASE OF POLICE DEPARTMENT REPLACEMENT IN CAR MOBILE DATA COMPUTERS

Deputy Chief Willette and Mr. Corless, Information Systems Administrator, were present to explain the need to purchase Police Department Replacement in car mobile data computers.

Deputy Chief Willette explained the current in car computers are four years old, have fully depreciated, and have come to the end of their life expectancy. They possess outdated technology and the processors are too slow to proficiently support the added CLEMIS applications that we are currently running. Two of the systems have bad keyboards that prevent the officers from using them and it takes fifteen to twenty minutes for all of the systems to warm up when first turned on. In addition, we are in the process of consolidating with the 40th District Court to increase the effective and efficient means of handling tickets with the e-ticket software application. This added CLEMIS application will further slow down the processing of information on the computers, making them virtually useless for the e-ticket application. The Motorola computers are the only in car mobile devices that are approved and supported by CLEMIS.

Deputy Chief Willette mentioned that the Police Department has the funds budgeted for and allocated through the computer replacement account for the total implementation of the project. The total cost of the project with the Motorola bid for the computers, the removal of the old computers and the installation of the new computers with the new wiring by Comsource is \$96,480.00. The project has been approved by the Computer Committee.

Deputy Chief Willette said he is requesting eighteen computers. He said that a request for quotes was sent to two hundred, twenty-three companies and only three responded; Comsource, Winder Police Equipment, and Alert Emergency Equipment.

Deputy Chief Willette explained how the CLEMIS system allows Police Officers to check license plates, to check drivers' licenses, and to check for accidents quickly. The CLEMIS system runs the TI through a modem and is downloaded into the Court's system automatically which saves on staff hours. The Police Department has already purchased printers for the cars to help with the e-ticket.

Mr. Corless stated that when computer equipment is purchased, it has a life expectancy of approximately three years and is billed to the department. The current Police computers were purchased in March 2006 at \$140 monthly /

4. BIDS/CONTRACTS/PURCHASE ORDERS (Cont'd)

\$162,800 total. He stated the Computer Committee postponed this item purchase in order to get the full depreciation out of the computers and the Computer Committee supports this request.

It was discussed that the process without this new system takes the Police Officers approximately three times as long. The computers were all replaced at one time four years ago because the CLEMIS system was adopted. The current computers have been running almost twenty-four hours a day, seven days a week, are showing signs of major wear and tear, and cost the City many staff hours to attempt to keep the systems running. The depreciation schedule is set at 48 months.

Mr. Walby asked how much money is in the computer replacement fund and if the current computers are in bad enough shape to warrant replacing them.

Mr. Haney stated the computer replacement fund balance is \$159,000.00.

It was noted that, although the new computers will have more memory and a better processor, these are not the only reasons why the current computers need to be replaced. The current computers have both, interior and exterior problems. The new system will enhance the safety of the Police Officers by making more information accessible, such as, the layout of a building including exits. The Police Officer will be able to submit information electronically, which would allow the Police Officer to remain on the road. There is a three-year warranty on the new systems.

It was mentioned that the Court is in the process of loading the codes to CLEMIS in order to run the e-tickets and is expected to be running in approximately two to three weeks. The City stands to make a certain amount of money on each ticket when people pay the ticket on line.

Motion by McFadyen, seconded by Rubello the approval of a purchase order to ComSource Inc. for the purchase of 18 MW810 Mobile computers, 18 CPU Display cables, with removal and installation at a cost of \$96,480.00.

Ayes: All – 7

5. REQUEST TO APPROVE SECOND QUARTER BUDGET REPORT AND BUDGET AMENDMENT 10-04

Ms. Schuster, Controller, explained that these are adjustments made by the City from the first half of the fiscal year. The budget amendment 10-04 reflects the following adjustments necessary as revealed during the review process: increasing budgeted rental revenue for additional funds that were received as a result of a new tenant on the Blossom Heath cell tower, increasing revenue in the General Fund for various donations received by the Fire Department, increasing the budgeted transfer to General Fund from the Court Building Fund to cover the costs of building improvements that were carried over from prior year, decreasing estimated court revenue to anticipated amount, decreasing estimated interest revenue in various funds due to increased poor economic conditions, increasing budgeted attorney fees to anticipated amount primarily due to the Fire arbitration and GPW Park Michigan Tax Tribunal case (increased costs are being covered with the contingency budget), and establishing a budget for 50% of the City's portion of the I-696/I-94 reconstruction project.

Ms. Rusie asked why there was a decrease in the Court revenue.

Ms. Schuster stated that this year's anticipated Court revenue was based on last year's actual revenue. The City only receives a portion of the Court fees because a portion goes to the County and a portion goes to the State. The Court fees have decreased due to the economy.

Mayor Hison clarified that because the Court is not getting the anticipated revenue, the City will have to use money from the General Fund to cover costs.

Mr. Podolski clarified that the Court revenue was anticipated and noted that Police Officers have the discretion to issue a ticket or to issue only a warning. Police Officers have considered the hard economic times when making the decision to issue a ticket or to issue only a warning.

Ms. Schuster noted that approximately \$260,000 was budgeted for in the Street Fund.

Mr. Walby asked if the City is repairing the I-696/I-94 ramp.

5. REQUEST TO APPROVE SECOND QUARTER BUDGET REPORT AND BUDGET AMENDMENT 10-04 (Cont'd)

Mr. Rayes stated that the City is repairing both ramps at the I-696 and I-94 interchange and the City is responsible for all freeway work that is within the City's boundaries.

It was noted that the Year-to-Date amounts in many budgets were above 50% in the General Fund Expenditures because there most likely are purchases that the departments make at a certain time in the fiscal year and the departments may or may not have already purchased these items.

Motion by Walby, seconded by McFadyen to receive and approve the December 31, 2009 Quarterly Report and Budget Amendment 10-04 as follows:

Fund/ Dept.	Account	Previously Budgeted	Description	Increase	Decrease
BUDGET AMENDMENT 10-04					
101	GENERAL FUND				
Rev	640.000		Rental Revenue	66,000	
Fbal	390.002		Fund Balance - Carryover	66,000	
To establish a budget for additional rental revenue received as a result of a new tenant on the Blossom Heath cell tower.					
Rev	675.150		Donations Received - Fire	2,050	
340	950.150		FIRE Miscellaneous (donation purchases)	2,050	
To establish a budget for donations received.					
Rev	693.130		Transfer from Court Building Fund	11,200	
Fbal	390.002		Fund Balance - Carryover	11,200	
To budget a transfer a transfer from the Court Building Fund to cover the cost of carryover items approved in B.A. 10-01.					
Rev	655.000		Court Revenue		180,000
Fbal	390.002		Fund Balance - Carryover		180,000
To adjust Court Revenue to anticipated amount.					
Rev	664.000		Interest Income		235,000
Fbal	390.002		Fund Balance - Carryover		235,000
To adjust interest income to anticipated amount.					
701	960		P & R ADMIN Transfers (To Rec Rev Fund)	9,000	
Fbal	390		Fund Balance - Carryover		9,000
To increase transfer to Rec Rev Fund due to a decrease in anticipated interest revenue in Rec Rev Fund. General Fund subsidizes the Rec Rev Fund in order for the fund to be in compliance with bonds covenants.					
210	812		CITY ATTORNEY Services (Labor Attorney)	45,000	
210	814		CITY ATTORNEY Services (Arbitration)	10,000	
210	815		CITY ATTORNEY Services (Other City Attorney)	33,000	
253	950		GENERAL GOVERNMENT Miscellaneous (Contingency)		88,000
To increase various attorney fees to anticipated amounts.					
120	LOCAL STREET FUND - Street Department				
451	980.196		STREETS Capital Outlay (I-696/I-94 Interchange Reconstruction)	129,000	
451	808.000		STREETS Offset		129,000
To establish a budget for the City's portion of the I-696/I94 reconstruction project.					

5. REQUEST TO APPROVE SECOND QUARTER BUDGET REPORT AND BUDGET AMENDMENT 10-04 (Cont'd)

120	LOCAL STREET FUND - Act 51				
Rev	546.000		Act 51 Revenue		58,000
Rev	664.000		Interest Income		7,000
Fbal	390.000		Fund Balance - Local Streets		65,000
To adjust revenue to projected amount.					
110	MAJOR STREET FUND - Act 51				
Rev	546.000		Act 51 Revenue		147,000
Rev	664.000		Interest Income		6,500
455	980.000		ACT 41 Capital Outlay (I-696/I-94 Interchange Reconstruction)	129,000	
Fbal	390.000		Fund Balance - Major Streets		282,500
To adjust revenue to projected amount and to establish a budget for the City's portion of the I-696/I94 reconstruction project.					
BUDGET AMENDMENT 10-04 (continued)					
130	COURT BUILDING FUND				
140	960.100		Transfer to General Fund	11,200	
Fbal	390.000		Fund Balance - Court Building Fund		11,200
To budget a transfer a transfer from the Court Building Fund to cover the cost of carryover items approved in B.A. 10-01.					
580	RECREATIONAL REVENUE FUND				
Rev	664.000		Interest Income		9,000
Rev	693.100		Contribution from General Fund	9,000	
To adjust revenue to projected amount.					
590	UTILITY FUND				
Rev	664.000		Interest Income		100,000
Fbal	390.000		Fund Balance - Utility Fund		100,000
To adjust revenue to projected amount.					
661	MOTORPOOL FUND				
Rev	664.000		Interest Income		10,000
Fbal	390.000		Fund Balance - Motorpool Fund		10,000
To adjust revenue to projected amount.					

Ayes: All – 7

6. 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 Council Member 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.

Mr. Frederick asked for item 6f to be separated for discussion.

Motion by Walby, seconded by Frederick to approve the Consent Agenda items a, b, c, d, e, and g as presented with item f being removed for discussion, which include the following:

a. Bills

March 1, 2010

\$1,744,736.40

To approve the release of checks in the amount of \$1,744,736.40, of the report that is 17 pages in length and of the grand total amount of \$1,744,736.40, \$267,721.84 went to other taxing authorities.

b. Fees - None

6. **CONSENT AGENDA (Cont'd)**

c. **Progress Payments**

Galui Construction Company, Inc. \$30,000.00

To approve the above progress payments, subject to audit.

d. **Approval of Minutes**

To approve the following minutes:

<u>Minutes</u>	<u>Meeting Date</u>
City Council Special Meeting	January 26, 2010
City Council	February 16, 2010

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

To receive and file the following minutes:

<u>Minutes</u>	<u>Meeting Date</u>
Charter Study Committee	December 21, 2009
General Employee Pension Board	January 19, 2010
Historical Commission	January 5, 2010
Library Board	January 21, 2010
Parks and Recreation Commission	January 14, 2010
Building/Property Maintenance Board of Appeals	October 23, 2009
Corridor Improvement Authority	February 3, 2010
Council Sub-Committee on Bds. & Commissions	January 26, 2010
Sign Arbitration Committee	January 28, 2010
Tax Increment Finance Authority	January 21, 2010

g. **To receive and deny the claims of Richard Hotz v St. Clair Shores and refer to legal counsel**

Ayes: All – 7

Separated item f. To approve the Recommendations from the Council Sub-Committee on Boards, Commissions & Committees

Mr. Frederick asked if Norma Rusie, who is being recommended for the Board of Review is Councilmember Candice Rusie's mother. He asked why Mr. Walby is a permanent member on the TIFA Board when there already is a Council Liaison.

Mr. Podolski said that Norma Rusie is Councilmember Rusie's mother and he explained that Mr. Walby is a permanent member as a resident and not as a Councilmember.

Motion by Frederick, seconded by Walby to approve the Recommendations from the Council Sub-Committee on Boards, Commissions & Committees as follow:

1. **Accept with regret the resignations of Carol Varady (Board of Review) and Patrick J. Johnson (Police & Fire Civil Service).** *City Clerk sent letters of appreciation for service.*
2. **Recommendation from Sub-Committee on Boards, Committees & Commissions to appoint the following:**

<u>Name</u>	<u>Committee</u>	<u>Term Ending Date</u>
Hollie Rudoni	Activities Committee (vacant seat of M. Antushevich)	September 30, 2012
Phillip Myers	Board of Review (vacant seat of C. Varady)	September 30, 2012
*Norma Rusie	Board of Review	September 30, 2010

6. CONSENT AGENDA, Separated item f (Cont'd)

<u>Name</u>	<u>Committee</u>	<u>Term Ending Date</u>
*Jason Strat	Board of Review	September 30, 2012
*Rebekah Tiefenbach	Board of Review	September 30, 2011
Amy Lynn Jadzinski	Cool Cities Committee (vacant seat of Deb Miller)	September 30, 2012
Theresa Ellis	Older Persons Advisory Committee (vacant seat of N. Tarpley)	September 30, 2011

*Third Board with staggered terms.

3. Recommendations on Re-Appointments**a. Sub-Committee recommends the following re-appointments to Mayor and Council:**

<u>Name</u>	<u>Commission</u>	<u>Term Ending Date</u>
Lince, Diana	Beautification Commission	December 31, 2012
Bohle, Hubert	Board of Canvassers	December 31, 2013
Lange, Richard W.	Board of Canvassers	December 31, 2013
Kotowski, Mary	Charter Study Committee	December 31, 2010
Mattson, Kenneth	Charter Study Committee	December 31, 2010
O'Brien, Deborah	Charter Study Committee	December 31, 2010
Podolski, Ken	Charter Study Committee	December 31, 2010
Keck, Denise L.	Dog Park Committee	December 31, 2012
Means, Christy	Dog Park Committee	December 31, 2012
Walsh, Lorrie	Dog Park Committee	December 31, 2012
Maison, Margaret	Historical Commission	December 31, 2012
Perry, Gerald N.	Historical Commission	December 31, 2012
Bate, Lillian	Parks and Recreation Commission	December 31, 2012
Ketelhut, Gerrit J.	Parks and Recreation Commission	December 31, 2012
Miller, James A.	Parks and Recreation Commission	December 31, 2012
Haddad, James	Police & Fire Pension Bd. & Health Care	December 31, 2013
Foster, Mark	Zoning Board of Appeals	December 31, 2012
Lince, William	Zoning Board of Appeals	December 31, 2012
McKenney, Thomas G.	Zoning Board of Appeals	December 31, 2012

b. Sub-Committee recommends the following re-appointments to the Mayor:

<u>Name</u>	<u>Commission</u>	<u>Term Ending Date</u>
DeBates, Raymond	Corridor Improvement Authority	December 31, 2013
Miller, Paul	Corridor Improvement Authority	December 31, 2013
Smith, Monie R.	Library Board	December 31, 2014
Descamps, Michael	Planning Commission	December 31, 2012
Einkorn, David C.	Planning Commission	December 31, 2012
Triplett, Matthew A.	Planning Commission	March 1, 2012
Albrecht, Richard	TIFA/Brownfield Re-Dev. Authority	November 14, 2013
Walby, Kip	TIFA/Brownfield Re-Dev. Authority	November 18, 2013
Fincham, Al	Water Resources Dev. & Advisory Bd.	December 31, 2012
Krompatic, Robert	Water Resources Dev. & Advisory Bd.	December 31, 2012
Peterson, Michael	Water Resources Dev. & Advisory Bd.	December 31, 2012

Ayes: All – 7

7. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING

- **PCB's** – Mr. Podolski received information from the Environmental Protection Agency (EPA). The Environmental Protection Agency will set up an Emergency Response Removal Action in the City. He read a portion of the Memorandum letter as follows: This Memorandum is to request the approval in order to conduct a time-critical removal action at the St. Clair Shores PCB Drain #2 Site. The actions are necessary to mitigate threats to public health, welfare, and the environment posed by the presence of polychlorinated biphenyls (PCBs) in sediments in sewers at the Site. The sewers are part of the area of the previous 10-Mile Drain and St. Clair Shores Drain PCB cleanups, and now the sewers are being re-contaminated which will lead to complete re-contamination of the Lange

7. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING (Cont'd)

and Revere Canals and will reverse all positive environmental cleanup goals, which were reached at that site. The response action proposed herein will temporarily mitigate the threats by cleaning portions of the sewers in the identified source area of contamination, and installing weirs within the sewers to trap the contamination in place until such a time as it can be addressed further. Mr. Podolski continued that the entire Memorandum is posted on the City's website and at the Library. He stated that he would have a full report at an upcoming Local Matters cable show.

Mayor Hison mentioned that Senator Carl Levin worked with the Environmental Protection Agency to make this project possible.

- **2010 City Calendar** – Ms. D'Herde said there were no updates.
- **9 Mile Water Main** – Mr. Rayes said that the section that is currently being worked on would be done by the end of the week and they will then move to the next section. He explained that the 9 Mack area was not replaced as the pipes were replaced only twenty years ago.
- **Rodent Control Program** – Mayor Hison asked for a legal opinion from the City Attorney regarding a resident that was concerned with staff entering their property for the rodent control program (from the 2/16/10 Council meeting).
- **Department of Public Works** – Mr. Smith stated the Police investigation is ongoing and the Council Subcommittee completed the forensic audit search interviews and the item is on this evening's agenda to be awarded.
- **Snow Event and Snow Emergency** – Mayor Hison mentioned the job well done by employees this week regarding the Snow Emergency.

Mr. Smith noted that a Snow Event was issued and then called off because snow was forecasted for the day that the snow was required to be cleared from the sidewalks.

8. COMMENTS BY INDIVIDUAL COUNCILPERSONS

Council Member McFadyen asked Mr. Rayes if there were any updates concerning the Gourmet House and the Ponderosa building.

Mr. Ihrie responded that it is going through the normal case of litigation. He noted that if the City ends up paying for the Gourmet House to be demolished, the owner of the building would then owe the City the cost to demolish the building.

Mr. Rayes stated that Ponderosa did not renew their lease and according to the owner of the plaza, the building will be demolished.

Ms. McFadyen stated the house that is on the corner of Marter Road and Greater Mack is a repeat offender in not clearing the sidewalks after a snowfall. She asked what happens for repeat offenders.

Mr. Rayes said they fall into the City's enforcement program.

Council Member Rusie mentioned that the City has approximately 3,000 Facebook friends after only one week and encouraged everyone to add Facebook to their friends list. She mentioned a question that was posted on Facebook concerning programs to assist seniors in snow shoveling and grass cutting and she mentioned how there is a program called Helping Hands and to contact the Senior Center for more information.

Ms. Rusie announced that the City participated in government day and it was a huge success. The University of Prep Academy in Detroit participated with the City and the students shadowed City Directors for half a day. She displayed a picture board the students made on the bus on their way home and expressed how much the students enjoyed their day shadowing City Directors.

Council Member Rubino asked for clarification for ambulance fees and situations of hardship because some residents are under the impression that the City paid for ambulance fees in the past. He wants to make sure that residents know that the City has not paid for the ambulance service fees. He stated that if the City does not bill the insurance company what the insurance companies are willing to pay, then the City will lose money and if the City doesn't bill at all for this service then everyone's taxes will go up.

8. COMMENTS BY INDIVIDUAL COUNCILPERSONS (Cont'd)

Mr. Smith said he did not have a chance to get an exact date in response to Mr. Rubino's concern. He said he would notify Mr. Rubino with the information when he is able to get an exact date. He stated the situation of hardships is being worked on and Council has been working to figure out a scale as to what would be waived due to hardship.

Mr. Rubino is concerned with resident's water meters being unnecessarily replaced. Three weeks ago, he mentioned how a resident had a situation with a water meter that was going to be replaced that the resident said was not broken.

Mr. Smith explained how he originally thought that the meter was not broken until he looked into it further and found out that the water meters are supposed to have a five-digit number and this meter's fifth digit was not working.

Mr. Smith announced that he is working with Ms. D'Herde and Mr. Houtekier to do a show on it.

Mr. Smith stated that if a resident suspects their meter is not working correctly, they should call him and he will make sure that someone will look at it. He noted that there have been some cases where a resident was out of town for long periods of time, which would explain the water meter not moving.

Council Member Rubello clarified that the ambulance fees hardship appeal procedures were sent to Council for review and were not adopted yet.

Mr. Smith stated that once a final revision is made it will be brought back to Council for final approval.

Mr. Rubello made it known that, in his opinion the snow shoveling program has been running smoothly. He mentioned that residents need to call code enforcement for sidewalks not shoveled.

Council Member Frederick asked if there is anything that can be done about the unkempt bushes at the house on 9 Mile just west of Malvern because it is in the line of sight of traffic.

Mr. Rayes said he would look into it and follow up on it.

Mr. Frederick announced that Sarah Roberts will be holding a Coffee Hour at Steve's Backroom on March 8 from 8:00 a.m. to 9:00 a.m. He also announced upcoming high school sports and programs.

Council Member Walby asked for clarification on the issue of ambulance fees being turned over to the collections agencies.

Mr. Smith said this information would be included with the hardship information and he will make sure to get the information to Council. He is not sure how many have gone to collections.

Mr. Walby asked for detailed information concerning what the City pays plumbing and electrical contractors. He requested a comparison of if the City were to charge per time versus a flat rate.

Mr. Rayes said right now it is a monthly rate and he would evaluate and follow up when he has an answer.

Mr. Walby mentioned there was a fire in Harper Woods and it appeared there were only two people on site. St. Clair Shores assisted them and extinguished the fire. His concern is that Harper Woods may not be fully staffing their Fire Department because they are depending on St. Clair Shores or Eastpointe to help them every time.

Mr. Podolski stated that even though Harper Woods is not in Macomb County, they are part of the original mutual aid agreement and that is why St. Clair Shores continues to assist them when they are in need. This original mutual aid agreement is no longer valid and St. Clair Shores is giving them more aid than we are rendering. He has requested the City Attorney review the agreement and that action by Council to not honor this agreement be on the next agenda.

Mayor Hison met with the Mayor of Eastpointe and they discussed how St. Clair Shores and Eastpointe are in a similar situation when it comes to assisting Harper Woods.

Mr. Walby announced that there are open seats on some Boards, Committees, and Commissions. He read the following list of vacancies: Activities Committee two vacant seats, Beautification Commission three vacant seats, Charter Study Committee one vacant seat, Communications Commission one vacant seat, Cool Cities Committee one vacant seat, Election Commission one vacant seat, Employees Civil Service one vacant seat, Historical

8. COMMENTS BY INDIVIDUAL COUNCILPERSONS (Cont'd)

Commission one vacant seat, Older Persons Advisory Committee two vacant seats, Planning Commission one vacant seat, Police & Fire Civil Service one vacant seat, Waterfront Environmental Committee one vacant seat, and Zoning Board of Appeals one vacant seat.

Mayor Hison mentioned that information was in the City newsletter and on St. Clair Shores Local Matters on how to appeal assessments to the Board of Review by mail. He said these are tough economic times and there has been a 17% reduction in taxable values. He said he read in the newspaper that the City of Warren closed a fire station, the City of Troy voted down a millage, and the City of Eastpointe is considering having a public safety department. We all voted to adopt Headlee and Proposition A and those taxable value decreases will take three to eight years for the market values to rebound. We are vulnerable because we cannot control the SEV's and State and Federal shortfalls, which affect our share of these funds. We are concerned, but we are better off than many communities are. Our revenue sharing is also depleting and has gone down the last five to seven years and the costs of goods keep rising. We have budget meetings in May and we will review every departments' budget. Everything discussed up to this point is only discussion and we haven't adopted/implemented anything yet. We want to maintain services and quality of workforce. If we don't maintain a balanced budget we could face receivership like other cities have done.

9. CITY MANAGER'S REPORT

Mr. Podolski met with the City Managers of Roseville and Eastpointe to discuss combining the Dispatch services for an ultimate savings for all three municipalities. His message to them was our departments cannot stand alone and survive and we will have to consolidate services between the three cities. He described the deficit as being slices of a pie where we will need to take concessions from all employees and the elimination of programs (some will lose jobs). We will maintain the number of staff as required by the Police and Fire millage. Cuts will occur in every department and everyone will feel the impact of these changes. The three cities will explore consolidation of services. The City of Warren wants to create a "Super" Fire Department that will cover the area from Dequindre to the lake and from Eight Mile Road to Fourteen Mile Road. He asked Council to allow the City's finance teams to meet with Roseville and Eastpointe's finance teams to create a budget.

Ms. Rusie asked if it would be a conflict of interest for Mr. Ihrie to represent the City of St. Clair Shores and the City of Eastpointe (as he is both Cities' Attorney) if there were to be agreements made between the two cities.

Mr. Ihrie stated that if there appears to be a conflict of interest he would advise one City to retain independent counsel and/or the Cities have the option to waive the conflict options.

Ms. Rusie recited MCLA 151.18b, Incompatible Public Office and felt both Cities should have outside Counsel.

Mr. Ihrie re-iterated that we are not at that point yet and if we get to that point, he would advise one City to retain independent legal counsel.

Mr. Rubino mentioned that one concern he has about St. Clair Shores combining services with Roseville and Eastpointe is that he thinks St. Clair Shores is a higher caliber City than the other two and he wouldn't want to end up being the "big brother" that would be taking on the majority of the responsibility. He would like more information on how teaming up with Roseville and Eastpointe would benefit St. Clair Shores.

Mayor Hison noted that about fifteen years ago Council reviewed combining the Fire Departments with other municipalities and decided not to because St. Clair Shores had more to give than to gain. He mentioned combining dispatch services is a different item.

Mr. Rubino questioned the financial stability of those cities.

Mr. Frederick suggested asking the people that do the work since they will usually have ideas and input of how to cut costs.

Mr. Podolski expressed that the reality of the matter is the City cannot afford to continue down the path it's on. Our City has done such a good job budgeting that Plante Moran has used St. Clair Shores as a model for other cities. We lost four million dollars in one year and by combining services, we save more jobs without asking the voters for six to eight mills.

Motion by Walby, seconded by Rubino to authorize administration to explore the collaboration of Dispatch, Police and Fire services with the Cities of Eastpointe and Roseville.

Ayes: All – 7

9. CITY MANAGER'S REPORT (Cont'd)

a. Request Council approve/deny staff proceed with a forensic audit

Mr. Smith stated the sub-committee received proposals for forensic auditing services from three companies; UHY Advisors, Crawford & Winiarski Financial Consulting, and Cendrowski Corporate Advisors. Two of the firms did a presentation. Having reviewed the proposals, it was the unanimous decision of the sub-committee to recommend UHY Advisors. UHY Advisors are highly qualified and have experienced investigators on staff. UHY Advisors will take approximately fifteen to seventy-five hours to complete the audit that will involve the entire Department of Public Works.

During this process, the City found out from MMRMA that they would cover the first \$10,000 of the forensic audit costs. As well, the insurance firm may not cover the loss without the audit. The process should take fifteen to seventy-five hours and an additional twenty-five hours reporting. The current hours are directly for the Department of Public Works.

Ms. Rusie expressed how she was impressed by UHY Advisor's creativity and how they handle their approach of the situation. UHY Advisor's will offer a recommendation to help improve the policy and will assist the Police Department in the criminal investigation as well.

Mr. Frederick questioned if the insurance will cover the first \$10,000 and the City will be responsible for \$20,000.

Mr. Walby noted that is just a "broad brush" and the cost is only anticipated and could be more. He believes that it is Council's responsibility to assure that the issue is not any deeper than the scrap metal.

Mr. Smith explained that the Police Department welcomes the company's assistance. If there is a large claim, the insurance will not pay more than \$10,000 without an audit.

Mayor Hison said we need to be informed and this is the best way to be informed. UHY Advisors will give us updated reports that we can bring before Council. He feels they were very professional and has a large staff. We need our staff to assist to reduce their hours to a minimum.

Mr. Smith said UHY Advisors would notify us when there is a "fork in the road" and it will be brought before Council to decide which way to continue.

Mr. Frederick asked the Committee to elaborate on how the UHY Advisor's presentation was impressive.

Mayor Hison re-iterated UHY Advisors have experience, a large staff, and a per hour rate, which led us to this decision.

Motion by Walby, seconded by Rubino to approve staff proceed with a forensic audit to be conducted by UHY Advisors, Tax and Business Consultants, at a cost not to exceed \$20,000 without additional Council approval.

Ayes: All – 7

b. Request for approval of the sale of four HUD acquired houses

Mr. Rayes explained that a few weeks ago the City received offers that were above the asking price for four (4) City acquired HUD homes. He is now requesting approval to sell these four (4) homes. These conditions were also a part of the original acquisition contract with the City. The City had purchased twelve (12) HUD properties and one (1) condominium.

Mr. Rayes said we are asking a better price and we took three homes off the market in order to fix and paint them and they will be put back on the market in a week at a higher price. He said these homes are scattered throughout the City and the NSP Program is for homes that are South of 9 Mile Road.

Mr. Rayes said the homes that sold have been on the market for approximately one month. Some offers that came in were rejected and they came back with counter offers. These four (4) homes will all have a 5% sales commission as they were sold by other realtors.

b. Request for approval of the sale of four HUD acquired houses (Cont'd)

Mr. Rubino wonders if we should ask for more money because the homes sold so quickly.

Mr. Rayes explained that now that we have sold these homes we have revenue to fix up the homes that are left. This program should be self-supporting now instead of using a loan from the general fund. The homes we bought from HUD have needed, in some cases, a great deal of repairs to be marketable.

There is a sale pending for the home on 13 Mile Road and he is working with the City Attorney's Office to have it canceled, as it has taken much too long and then award to another buyer.

Mr. Rayes stated that HUD requires the City to do a yearly report and explain to them what we intend to do with the money made on these homes. If at the end of this program there are funds left, we will research our options on how we can use the funds.

There was concern that these homes may have been priced too low.

Mr. Rayes thinks that the City could possibly have made more money on the houses that were recently sold, but not on the houses that are left because they need so many repairs.

Motion by Rubino, seconded by Frederick to approve the request to sell the four (4) HUD homes as identified.

Ayes: All – 7

10. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)

Sue Jesion, 21308 Raymond, said she came across information on the new meter system and has documentation about meter reading technology.

Jack Doerr, 22407 Bayview, said he is an advocate for preventative maintenance. He said that he likes the Police Department and the Fire Department the way they are and wishes it would stay the way it is. The safety of the residents depends on Police and Fire and he asked Council to reconsider approving two additional in car computers for the Police Department. He stated that his homeowners insurance is lower because there are three fire stations.

Dennis Oster, 20207 Elizabeth, said he is a resident and a business owner and is upset because he would like to have had the opportunity to bid for the City Maps. He stated there are many unemployed people in the area that would love to do this project.

Ken Anderson, 23134 Westbury, mentioned that he runs a printing company and would like to have been considered for this project.

Ms. D'Herde explained that the City doesn't have the resources to do it alone and the prices the City gets for this project for collaborating with the current company are unbeatable because the company does large projects and they pass the savings on to the City.

Erin Stahl, 20113 Avalon, followed up on the petition drive that did not make it to the 2009 ballot because they did not have enough signatures in time. She is pleased that the two-minute audience participation on agenda items was adopted and the Council meeting packets are being placed on the website. She handed information to the Mayor and Council and asked Council to add a couple of issues to the November ballot. She said she is pleased with the way Council is going with the budget issues, but is upset because the Council Workshop Agenda was not posted for twenty-four hours before the meeting.

Mayor Hison stated that he mentioned the upcoming meetings including the Council Workshop on the Mayor's Corner that was televised.

Mr. Ihrie recited the Open Meeting Act that stated that the notice has to be posted for only eighteen hours before a meeting, which is what the City had done. The City posted the agenda on the website and on the bulletin board. It was available at the Library, on the web, and it was announced on the cable bulletin board.

James Kelly, 23142 N. Rosedale Court, asked why the City plows the snow and salts the streets on the school bus routes and who pays for it. He mentioned that he is upset when residents shovel the snow from their sidewalk into the street and he asked if something could be done. He mentioned that he heard of fleet vehicles being completely reconditioned and asked if the City could look into the cost of this as opposed to purchasing new vehicles.

11. REQUEST TO ENTER CLOSED SESSION AS PERMITTED BY STATE STATUTE MCLA 15.268 SECTION 8(F)

Motion by Walby, seconded by Frederick to enter Closed Session at 9:48 p.m.

A roll call vote was taken.

Ayes: All – 7

Motion by Walby, seconded by Rubino to return to Open Session at 10:37 p.m.

Ayes: All – 7

12. ADJOURNMENT

Motion by Frederick, seconded by Rubino to adjourn at 10:38 p.m.

Ayes: All – 7

ROBERT A HISON, MAYOR

MARY A. KOTOWSKI, CITY CLERK