

CITY OF SYLVAN LAKE
STUDY SESSION
JULY 30, 2009

A Study Session of the Sylvan Lake City Council was held on Thursday, June 30, 2009; opening at 5:00 p.m. Mayor Lorenz presided.

Present: Zubrzycki (5:16 p.m.), Lorenz, Maurina, Shepp
Absent: Wiegand
Also Present: City Manager Martin and Clerk Clippert

Yes: All
No: None

MOTION CARRIED

Approval of Agenda

Moved by Maurina, seconded Shepp, to approve the agenda as submitted.

Yes: All
No: None

MOTION CARRIED

Public Comment

MaryAnn Smith announced she has revised her request from a general Financial Oversight Committee to a formal proposal to have a Sanctioned Finance Committee, to support the financial health of Sylvan Lake, to look at the past, present and future. She suggested impartial participants made up of an attorney, two council members, a CPA and CFP.

Loren Maurina reported the cable board will be making a formal presentation at the next City Council meeting. There is going to be a substantial reorganization of the board. They are going to hire an Executive Director to run the day-to-day stuff, to give more structure and run smoother. Maurina stated Sylvan Lake's portion in the joint venture fund as of December 2008 is \$3,344. At the next board meeting they will be proposing to raise it to \$10,391. Orchard Lake and West Bloomfield Twp. will lose this amount and Sylvan Lake and Keego Harbor will get increases. Martin asked Maurina what the chances are of getting this approved. Maurina felt there was a pretty good chance.

Maurina asked City Council to put on the agenda to discuss broadcasting the meetings on cable. He would advise the city to do this. Lorenz asked if cost is \$400 a meeting. Maurina clarified, it depends on the length of the meeting. It will be an hourly rate, but it will be somewhere around \$400.

Justin Hatch reported “Kids Day” was successful and there were a lot of kids.

Discussion of Millage Plan and Ballot Question

E-006-09

Martin provided updated pages on the ten-year outlook of revenues and expenditures. He also provided an estimate page on reducing taxable values. He used a 10% decrease in assessed value, which would result in an overall decrease of 5.73% in taxable value. He noted this will show on the graph pages in the projected 10-11 revenues. Maurina asked if this also reflects losing state revenue dollars. Martin stated it does not. He added the expenditures do include the other post employee benefit funding at the rate that is requested in the actuarial.

Values in contention due to Tax Tribunal’s were also presented. If these values are reduced, it will result in a \$24,730 payout from the City. Martin lastly submitted proposed pages to amend the budget to spread the OPEB to the funds. The last page is the new fund which was setup for the OPEB account and it shows that the account will be fully funded at \$110,000 for this fiscal year. Originally Council approved the budget to fund this only from the general fund for \$25,000. Now with spreading it the general fund will fund around \$38,000, and it is spread between the Community Center, Police, Parks and Recreation, and Insurance and Benefits. The remaining \$72,000 is spread between the retirees benefits and other departments outside the general fund. Martin noted this amount will go down after the next actuarial. He will expound more on this later in the agenda.

Mike Zubrzycki came into the meeting 5:16 p.m.

Russ Meskin made two suggestions to help sell the ballot proposal. First to reduce the boat dock and RVA lot fees at the next council meeting with the stipulation if the millage passes they will roll back the fees. His second suggestion is to only levying 1 mill, the second mill will only go into effect if proposed values go down because everyone will pay less tax. He doesn’t want a reserve being built up.

Shepp agreed with Meskin on the dock fees. He feels what was approved didn’t help the budget. He would like this put on the agenda.

Loren Maurina shared if the city would make a script and produce it, cable will edit it and make a DVD to help City Council present the millage proposal.

Russ Meskin stated he shared the one page which City Council was looking at presenting with the ballot proposal. The resident whom he shared it with thought it was easy enough to understand and it would be good to use.

Councilperson Maurina feels they need to update the list what the money will go for. Things have changed since it was first done. Martin will update this and email it to Council.

Discuss Meeting with Keego Harbor for Police Services

Lorenz stated he spoke with Sid Rubin and he is not sure he wants to meet on the 18th because it is his anniversary. Lorenz wanted to discuss with council what they want to accomplish with this meeting. Martin feels some agreement needs to be made between the two cities on what they want. When they do get to the point, where there is an agreement, Martin wanted everyone to realize that it is going to cost some money. There will be cost with a labor attorney because there are two contracts involved. Martin would recommend if a shift were shared it should be the day shift. He warned them there would be legal issues with this; someone will have to be cut.

Shepp's biggest issue is reducing coverage. He is not sure there is a whole lot to talk about. Lorenz feels it is important to have a joint meeting to get a plan in place and to iron out how they would split the cost, because whether the sharing of services or shifts happens today, tomorrow or three years from now they need to meet and create the framework.

Maurina feels Keego is going to continue to seek out other communities. From a financial stand-point both cities' are going to have to do something, somewhere down the line. She asked if they wanted to discuss anything other than the police. Lorenz stated that snow plowing was discussed and he and Martin felt it is not what Sylvan Lake would want. Martin stated they could discuss sharing Chief's or City Manager's. Maurina feels the Chief would make most sense. One Chief should be able to handle the administration, but the shift coverage will probably not work. Martin stated it would be better to combine departments or have one department and have one Chief.

Zubrzycki asked if the liability cost for the police would be reduced and if dispatch was shared if that cost would go down. Martin is not sure. He stated it would if they went to one department. He shared, West Bloomfield is contemplating talking with the Sheriff's Department for dispatch. If they did change this would be a huge savings, but then West Bloomfield Chief got involved and said he is already talking to Novi and another large community for this service. So he is not sure where it is at now. Lorenz stated dispatch would still be needed for the Fire Department. Martin clarified the police and fire are together. Maurina asked what the time frame is for the new radios. Martin replied, it was supposed to be 4 years ago.

Lorenz discussed four possibilities of discussion with Keego: proposing individually sharing a Chief. Council all agreed this wouldn't work and not to discuss it. Share departments was suggested by Lorenz. To form a plan and decide how to do legally. At a minimum get the labor contracts on the same page. Martin made clear this would be for the City Manager's to do because City Council members will change. Lorenz agreed this discussion with Keego is to provide direction for the City Manager's to do the frame work; to provide direction with detail. Council all agreed to this. Lorenz stated shared shifts should be discussed. Keego suggested midnight shift, but Lorenz agrees with Martin the day shift would be better. Maurina would like

to look at call rates to see how many calls and what the times are. Zubrzycki asked if sharing the shift would be easier if someone leaves or retires. Martin stated there are three possible retirements within the next couple of years between the two city's. All of the council agreed to discuss shared shifts. The last possibility Lorenz suggested was outsourcing to a third party. Lorenz feels this wouldn't be needed if they are sharing a shift. Martin suggested putting it on the agenda to get some finalization to it.

Martin will meet with Dale Stewart and try to get an alternate date and provide the agenda items discussed and agreed here.

OPEB - Budget

R1-002-09

Martin reviewed the proposed budget pages spreading the other post employment benefits. He stated he and Clippert attended a seminar with Plante & Moran. The biggest thing they stressed was to have each department fund the OPEB. He explained part of the amount that was included in the actuarial is the current payment being paid already for retirees. What is paid out of the general fund will now be transferred to the OPEB fund and the payment for the current retirees will be paid out the OPEB fund. The seminars also reinforced that what Martin has been explaining about OPEB was correct.

Zubrzycki asked if Sylvan Lake participated in the MML 2006 survey on benefits. Martin stated the city did. Zubrzycki feels they shouldn't even talk about cutting yet. He would rather look at where Sylvan Lake is relevant to other communities.

Martin is still working on getting the cost lowered for retirees in regards to the supplemental coverage. Council asked to have the city's benefits representative attend the study session. Lorenz still wants an outside representative other than MML representative, to come in.

Martin explained any changes that are made to our benefits will change the actuarial the next time it is done. Also it will reflect any funding which has been made.

Lorenz would like a representative from MERS to attend the study session to discuss changing benefits to a defined contribution. Council agreed.

Lorenz would still like to have an outside agent come to discuss plans. Zubrzycki stated there are a lot of HR benefit companies out there. It probably would be worth looking at. Martin stated, you have to be prepared to change your carrier each year because they give you the lower rate the first year and then bump them the next year.

Update on Labor Attorney/Retiree Benefits

Martin provided all the information has been sent to the labor attorney. He is reviewing it and Martin will ask him to come to the study session if he has answers yet and is available.

Adjournment

Moved by Zubrzycki, seconded Shepp, to adjourn the study session.

Yes: All

No: None

MOTION CARRIED

The meeting was adjourned at 6:43 p.m.

Dennise Clippert, City Clerk