

A Study Session of the Sylvan Lake City Council was held on Thursday, June 25, 2009; opening at 5:03 p.m. Mayor Lorenz presided.

Present: Maurina, Shepp (5:45 p.m.), Wiegand, Zubrzycki, Lorenz

Absent: None

Also Present: City Manager Martin and Clerk Clippert

Yes: All

No: None

MOTION CARRIED

Approval of Agenda

Moved by Wiegand, seconded Maurina, to approve the agenda as amended.

Yes: All

No: None

MOTION CARRIED

Discussion of OPEB

R1-001-09

Mary Ann Smith stated she is hoping to bring some value of how to use an outside adviser to help council make good decisions. She provided a handout of her review of the Sylvan Lake Post-Retirement Health Insurance report dated 2/11/08 and recommended a Financial Advising Committee be established. She feels the City and City Council needs professional help in understanding all this. Smith's other recommendations were: Institute a financial committee to advise council, take steps to make the OPEB resolution compliant, review benefits to see if city is using all possible options to fund these benefits, require a budget presentation that is transparent for council and citizens to review and to use a professional advisor to assist the council when needed.

Zubrzycki thanked Smith for her presentation. He stated the City Manager and Clerk/Treasurer have reduced and reviewed benefits package. He is not sure if it is competitive or not. He feels this is a lot of information she provided and he would need time to review it all. Lorenz agreed the City Manager and Clerk/Treasurer have done a good job with keeping on top of the benefits. He would like City Council and the City Administration to review her handout and discuss this at another time.

Smith feels this is all new and the City's insurance agent may skew things. She pointed out City Council members are always changing and she feels an adviser would bring value to assist them.

Zubrzycki added he likes the idea of an advising committee.

Discussion of Police Dept-OCSD

P1-008-09

Martin stated council needs to decide where to go from here. There options are: if they are still interested in looking at the Sheriff's, look at another municipality such as West Bloomfield, or discuss with shared services Keego Harbor.

Lorenz acknowledged the proposal from the Sheriff's Department is a lot a savings, but the coverage is less. He feels the City Manager should be given direction so he can move forward. He noted he was impressed with the Sheriff's presentation, but he personally doesn't want to go to the Sheriff's Department at this time. He would like to see Martin and Keego's City Manager continue discussions for service with West Bloomfield. If West Bloomfield is not interested to pursue Keego Harbor and Sylvan Lake sharing a department.

Wiegand is concerned with coverage when the one officer on duty is in Keego Harbor, who would backup the Sheriff's Department. Martin clarified West Bloomfield or Orchard Lake would backup if the Sheriff's Department was unable to answer a call, but they would not patrol the city while the Sheriff's Department is not available.

Zubrzycki stated he asked during the presentation if the contract could be modified and the Sheriff's Department stated it could. He feels there are gaps in the contact that he would like to see taken care of.

Maurina spoke with some people from Rochester Hills and Addison Twp. and they stated they are very happy with the Sheriff's time of response. She reminded council they are elected to do two things. One is to represent the residents and the other is to make good decisions based on the information that maybe not every body has. Only one person wanted to go with the Sheriff's Department. She feels most residents don't have a clear understanding of the city's budget problems. Maurina asked Zubrzycki why he is interested in the Sheriff's Department over combining services with Keego Harbor. Zubrzycki stated he is looking at all the other services they can provide and the liability issue. Lorenz stated liability coverage is part of the proposal. There is liability no matter which avenue they go. Zubrzycki stated one of things that is missing from the city's police budget is the OPEB charge. Martin stated, he and Clippert attended a seminar last week and this topic was discussed. The city should be charging each department their portion of the OPEB liability, including the water, sewer, garbage, street funds, etc.

Shepp entered the meeting at 5:45 p.m.

Maurina would like to continue to work with Keego. However, she doesn't want to fund Keego Harbor or whoever we would go with. She feels it should be based on our usage, not everyone else. She would also consider a merged police department. It would have to make sense in terms of dollars savings.

Lorenz asked who believes it will only take the \$350,000 with six officers to run Keego Harbor and Sylvan Lake? Martin stated he would be afraid to do it with only six officers between the two city's. Lorenz stated if they go with an additional officer the savings would be \$225,000.

Martin explained it is still not the same coverage. The way they are proposing, it is short 96 hours a week from having two officers on duty at all times between the two cities.

Zubrzycki agreed the residents don't have a full understanding of all the details. He agreed he doesn't want the city funding Keego. Zubrzycki asked the Sheriff's Department if there would be 50/50 coverage for each city. They agreed there would be. Zubrzycki would like this written in the contract. The Sheriff's cars have GPS and they can provide a report telling us where their time is spent. Martin stated the only down side to that is when there is a call they have to respond to it and the majority of calls are for Keego.

Maurina noted the rate of increase each year with Sheriff's Department is a higher level than our police department has ever received.

Maurina asked where double shift is provided with Sheriff's. Martin explained, when he spoke with them about this they said it is all very flexible. He had proposed two on the day shift, two afternoon, and two on midnights. But, like he said earlier, that is only two 40-hour shifts. Martin explained the shift coverage.

Wiegand asked if the city would still receive the revenue for tickets. Martin stated the Sheriff's Department said we would. Lorenz stated it would probably not be to the level we currently have. Lorenz asked about the power shift which the Sylvan Lake police provide currently. He asked if the city is making money from this. Martin stated the it was working, but it has dwindled down so they have stopped it.

Shepp is concerned with getting into a similar situation as West Bloomfield Fire Department. He stated once you go with another department it is almost impossible to go back. He feels having our own officer's they know who belongs in the city and feels this can't be duplicated with going to the County. He asked if the question has been put to our existing police department, if they really need to reduce coverage, can they reduce cost with the existing department. Martin stated not without a layoff or retirement. Shepp stated there would be less resistance doing this than eliminating the entire department. He also feels the odds are the Sheriff's Department will be in Keego Harbor more than Sylvan Lake.

Wiegand is for keeping the police department the way it is. He feels money needs to be saved with it.

Maurina suggested going back to the police and asking them to give back a little.

Zubrzycki asked where the shortage in coverage comes in. Martin explained there are seven days in a week and one person only works five eight-hour shifts per week. So there is a swing shift in addition to the day, afternoon and midnight shifts. Even with the swing shift, you are still short one eight-hour shift per week. So in order to have two people on duty between the two city's at all times, it would require at least eight officers. Currently there are 10 officers between the two city's. Zubrzycki asked if adding two officers would still save the city money. Martin stated it would, but the coverage is still not the same as what we currently have. Martin added that he believes we could do with less than the 10 we currently have for both city's but doesn't

know what the number should be.

Shepp asked how much Sylvan's savings would be. Martin stated when they formulate the payment it would need to be based on population, miles of roads, number of households, calls for service, etc. He has stated this to Keego's Mayor Pro-Tem and City Manager.

Shepp stated the total savings with going with the Sheriff's Department if \$300,000 between the two cities. He feels they to know the exact number Sylvan Lake will save. Martin agreed and feels he can discuss this with Keego.

Lorenz reviewed their options: reduce one officer from our department, talk to the police department again for a give back, have Martin and Stewart continue speaking with Sheriff's Department and discuss adding personnel, remain with our current police department, or share shift coverage with Keego Harbor. Lorenz would like to immediately give the City Manager direction on one or more of these items.

Zubrzycki reviewed if two more officers where added to the Sheriff's proposal the cost would be \$1,094,000. Martin clarified it would still not be the same coverage as each city currently has. He stated there are two on during the day, the Chief and an officer and one officer during the afternoon and midnights for each department. Zubrzycki stated he doesn't understand why the Sheriff's Department would think the city would want to go backwards and only have one officer per shift.

Shepp would rather investigate every other possibility first.

Martin discussed costs, things they have been waiting on. The Sheriff's Department is just finalizing their contract. He has heard the when the contract is done, there is expected to be 8-9% pay increase. The rate for municipal contracts is set by the County Commissioners. The cost provided to us is not for the current year. They haven't set that yet.

Council all agreed to have Martin and Stewart discuss sharing a shift and discussing the formula split.

Martin stated he will speak with the police also.

Shepp asked if there would be costs or fines if the city backs out of the current police contract. He noted there are still two years on it. Martin stated the union will have to get involved and legal counsel. Shepp feels there may be an increase in cost to the city; at the very least legal fees.

Discussion of Millage Plan and Ballot Question

E-004-09

Lorenz handed out two pages, one he made taking figures from the spreadsheet which Martin and Clippert did. It shows only the 2009-2010 budget and also provides the total wages for Administration, DPW and Police. The second sheet is the spreadsheet from Martin and Clippert,

but Lorenz also showed the dollar and percentage difference from 2003-2010 and the total difference between revenues and expenditures. Martin stated the police budget includes the police wages and benefits. The Administration Staff and DPW wages are included in General Administration. MaryAnn Smith informed him it didn't add up. Martin explained not all the wages for Administration and DPW are in the general fund. Wages for these are split between general fund, water, sewer, major and local roads, etc. Smith feels this needs to be explained. Martin gave her a copy of each employees wages, which explains this. Council discussed the 2003-2010 worksheet and the revenues and expenditures which have decreased over the years.

Martin left the meeting at 6:30 p.m. for a prior engagement.

Council discussed the ballot language. Lorenz feels the only way to survive is with two mills with shared police department otherwise the two mills will not be enough. Shepp feels three mills is needed. Maurina feels two mills with looking at where to cut more expenses. She stated it just can't be with the police department. Council agreed on two mills and adding the language for what the millage is for.

MaryAnn Smith questioned if the amount for wages on the second page was only that portion charged to the General Fund. Clippert informed her no, that was the entire wage. Then that amount was split between departments. Zubrzycki stated that he has had a number of residents questioning wages. The City hasn't cut individual wages, but has reduced salary by reducing employees and the additional work being added to the Clerk/Treasurer and City Manager. Lorenz added that the wages have been frozen for this year. MaryAnn Smith feels the employees wages should be provided to the residents. She feels they are unpaid.

Council discussed retiree benefit costs. Council would like to know from the labor attorney if cutting retiree's insurance benefits is possible. Clippert will provide a breakdown of cost for retirees and what is provided for them.

Discussion of Tennis Courts

PR-012-09

Lorenz stated there are two bids to get the tennis courts repaired. He would like to take \$10,000 from the budget to repair them. Maurina asked what the longevity of the repair is. Lorenz estimated 5 year minimum and 10 years maximum. Wiegand would like to see the ice rink gone. Shepp and Maurina are not in favor of spending money for the tennis courts at this time. Zubrzycki thought a group was interested in raising funds. Wiegand doesn't believe it is a good idea when they are asking for a millage increase. Lorenz feels if they are not going to repair them then they should rip them out so it isn't an eye sore. He feels the cost for ripping it out and replacing it with grass would be pretty close to repairing it. Lorenz would like to get a quote for ripping it out. Maurina suggested two quotes for fixing it, so it won't look like an eye sore. The fence may only need painting. Wiegand will suggest to the Home & Garden Tour making a donation to repair the tennis courts.

Adjournment

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

Yes: All

No: None

MOTION CARRIED

The meeting was adjourned at 7:20 p.m.

Dennise Clippert, City Clerk