

CITY OF SYLVAN LAKE
STUDY SESSION
MARCH 27, 2007

A Study Session of City Council was held on Wednesday, March 27, 2007, at Sylvan Lutheran Church, 2399 Figa, West Bloomfield, at 7:16 p.m. with Mayor Lorenz presiding.

Present: Maurina, Shepp, Conkey, Hungerman, Lorenz
Absent: None
Also Present: City Manager Martin and Clerk Clippert

Discussion of 2007/2008 Budget

Martin provided copies of the general fund revenue and expenditure summary pages without the millage funds.

He explained the millage reduction fraction remained at 1.0000 this year because of the additions. Because of this, millage rates for the General, Garbage & Rubbish and Library will remain the same as last year. The Community Promotions millage was lowered a little and the debt millages are based on how much is needed to collect for the bond payments.

Martin stated he estimated \$100,000 for Fines and Forfeits. This is based on the number of tickets written, but now in speaking with the court the percentage can change and the revenue may be less.

Martin noted on the expenditure summary under the current year estimated, capital outlay is lower than budgeted. This is less because they will not be doing the tennis courts this year with the construction starting for the Community Center. The \$20,000 surplus will go into the General Fund balance and can be used next year. Martin asked if anyone had any questions.

Maurina discussed the Planning Commission's budget and the cost for McKenna. Martin stated this is for updating ordinances to get in line with the Master Plan. Lorenz suggested they stop discussing old agenda items with McKenna and having the Planning Commission members looking up information on the internet. Martin would like to look at some other Planners. Maurina questioned if they don't make the amendments McKenna suggested for these ordinances if this would leave the city open for another gas station to come in. Martin suggested they do the text amendments they talked about. Then a gas station can only go where one is now. Maurina would like to see the budget around \$6,000 for contractual services. Martin asked council what they wanted to accomplish. If they can get Planning Commission to do some of the work, then \$5,000-\$6,000 will be enough.

Conkey questioned why the DPW's budget has increase so much. In 2003/04 the budget was only \$34,000 and now it is at \$82,000. Martin reviewed this is due to the two projects which is \$58,000. In 2003/04 the projects were not included.

Maurina asked that capital outlay be explained. Martin explained because of new GASB34 law, capital outlay must be shown as a separate department, so the descriptions for these expenditures are covered under the individual department, but budgeted here. The capital outlay includes a police car, dump truck for the DPW, seawall and tennis courts for the parks and work at City Hall.

Council discussed purchasing a new police vehicle each year and asked if they could skip a year. Maurina stated she spoke with an officer on the Utica force and asked them when they get rid of their cars and she also spoke with someone higher up at Sterling Heights. Both of them said 55,000-60,000 miles was a good place to let them go. Both said repairs cost a lot beyond the 60,000 mark. Shepp suggested keeping one of the vehicles that they were planning on selling, that way if one car has to go in for repairs they are not left with only one equipped vehicle running 24 hours. Martin will talk with the Chief.

Lorenz questioned what is being sold. Martin informed him three police vehicles, the blue dump truck and the old 1 ½ ton dump truck. The revenue will go into miscellaneous revenue this year. Martin is going to talk with the rubbish contractor to make sure they are still interested in continuing with the leaf pickup after the three year contract. Lorenz suggested looking into a broker for selling the truck.

Council discussed insurance and benefits, the cost for Blue Cross and retirees. Martin stated this is looked at every year very closely. Each year over the last five years benefits have been reduced to save money. He stated he would like to look at changing new hires to single coverage only. If they want their spouse or family covered then they will have to contribute this amount. Martin explained currently there are 8 employees covered, 8 retirees and one employee who waives coverage. Coverage is BC/BS Community Blue PPO with a \$15/\$50 drug co-pay. Employees retiring at age 55 or older, with ten or more years of service are entitled to full family health insurance. He explained why it is this way, because back years ago salaries for government employees were not that high and benefits were given in exchange. Martin informed council of what he tried with the union four years ago with trying to get them to pay a percentage of the increase from Blue Cross. The union wouldn't go for it and didn't want to discuss it. Shepp asked what percentage would make a difference. Maurina is concerned with loyalty and alliance to long term employees.

Shepp suggested immediately looking at changing new hires, existing employees will have to be looked at longer. He wants to make sure the city isn't going to lose quality employees.

Martin suggested maybe eliminating medical benefits at retirement and contributing to a 401K, X amount of dollars. Maurina asked if there is anyway to get the retirees to contribute anything. Martin stated that would be a legal question.

Council discussed the budget without project millages. Lorenz looked at the overall total showing the expenditures exceed the revenues for 2007/08. Martin added awhile back he created a realistic budget for the City Council, showing figures to keep everything maintained in the city. It added another \$60,000 to the expenditures. Lorenz state they have three options to raise revenues, a millage increase, look at ways to save money, or raise revenue with dock and RVA fees. He added raising dock fees will only carry things so far. Martin discussed with Council a public safety millage versus a special assessment with a flat fee. With a flat fee they would have to prove the benefit is equal to the cost. With a millage it is based on value, which makes sense with fire protection because of the value of the property.

Lorenz stated another opinion they will be looking at is Community Center rental fees. The council is going to have to decide fees for resident versus non-residents and if the fee should be different for the size of group or if they are using the kitchen or not. Council discussed reserving the center and if it would be different for residents versus non-residents. Martin stated the cleanup after it is rented will be subcontracted.

Conkey stated the revenue will need to cover the cost of maintenance of the center since the millage wasn't passed.

Lorenz discussed Architect fees and the funds in which it should come out of. City Council approved the conceptual plans for the ballot to be covered by the general fund. Part of the fees will come out of the general fund for the work he did on City Hall design and the other will come out of the Community Center Bond.

There were no more questions for the budget.

Hungerman questioned what was happening with the City signs. Martin stated two signs have come in for within the city. They are still discussing the large sign for Orchard Lake Road.

Martin asked council's opinion on permanent trash cans for the parks. Maurina would like to challenge the Parks & Recreation Committee to pay for two of the cans and have the City pay for four. Council didn't agree with this. They would like to stick to maintaining the playground equipment. Maurina also asked about maintaining the trail. She would like to see a cleanup day. Martin informed her there were two cleanup days last year and they were well attended. He wouldn't mind holding another one this year. Maurina asked if there is money in the Park & Recreation budget for the trail maintenance. Martin stated there is and work will be done soon. He got four bids to grade the trail. Mike Grasser was the lowest.

Adjournment

Moved by Hungerman, support Conkey, to adjourn the Study Session Meeting.

Yes: All

No: None

MOTION CARRIED

The study session adjourned at 10:16 p.m.

Dennise Clippert, City Clerk