

A study session of the Sylvan Lake City Council was held on Tuesday, May 3, 2016; opening at 6:04 p.m. Mayor Dzenko presiding. Mayor Dzenko presided over the Pledge of Allegiance.

Present: Meskin, Zubrzycki, Cassar, Dzenko, Lorenz
Absent: None
Also Present: City Manager Martin and Clerk Dryden

Approval of Agenda

Moved by Lorenz, seconded Meskin, to approve the agenda as presented.

Yes: All
No: None

MOTION CARRIED

Public Comment

There were no comments. Mayor Dzenko closed the public comment.

Ramp at City Hall

A-003.5-16

Martin shared he got a cost to do the brick/concrete with a wrought iron railing and will get one with an aluminum railing. The quote is for \$28,000. He asked Tanner about a type they could recommend. Tanner recommended a composite ramp. It is not a good thing to do. They are using fiberglass the cost is pretty close to the \$28,000. Martin stated they could always do wood, but it won't look as nice and it won't last. There is money in the budget for this.

Lorenz asked if the quote included the ramp, steps, landing and all ADA compliances. Martin confirmed it does. Lorenz suggested looking at an aluminum ramp while still using the concrete and brick steps. Martin will get a price for this.

Rizzo Contract Extension

CA-004-16

Martin reviewed the 8 year extension Rizzo is offering. He feels this is still a good deal. The big thing is the leaf collection at \$4 per household. He reviewed the graph from last month showing how we got here, which Zubrzycki had asked that this be shown. This graph shows how in 2008/09 revenues were \$217,310 and now for 2016/17 \$165,660, with expenses increasing each year too.

Zubrzycki asked why the big increase in the proposal. Martin stated Rizzo had a big increase from their disposal center for yard waste.

Lorenz feels it is better to lock it in now and feels there won't be any better deals. Zubrzycki asked how many other haulers are out there. Martin estimated around six. The problem is they won't do the leaf collection. Cassar recalled only one other would. Zubrzycki maybe interested in going out for bid. Council didn't agree with him.

Dzenko asked to have this on the regular agenda for approval.

Martin stated Attorney Schultz is looking at the contract too.

Garbage and Rubbish Funding

CA-004-16

Martin stated the spreadsheet was updated adding Cassar's request, which is the last column on the second page. Cassar would like City Council to consider this.

Meskin would like to charge \$50 per household for the leaf collection and levy the contract as a millage and then have the general fund picking up the balance as needed. Martin reviewed how there was a large fund balance at one time and Council decided to lower the millage which was ok at the time, but then we started losing too much revenue when the housing market fell, and couldn't recover.

Lorenz stated if you look at the trend line; no matter how much housing goes up this is the trend. Martin stated the two factors Proposal A and Headlee. Martin warned about taking money from the general fund. Once you start doing this at some point the general won't have enough money, then you'll have to get additional money for the Garbage & Rubbish and the General Fund.

Lorenz asked how long the Garbage & Rubbish has been paid for by a millage. Martin stated long before he has been here. Lorenz feels everyone knew when they bought their house here that they would be paying for garbage through their taxes. He feels there is an injustice with changing it because of the history of how it has been paid. Cassar stated things evolve and you have to change with the times. He feels many don't realize how they are paying for garbage. Zubrzycki stated they will when you increase it.

Zubrzycki feels the logical step is to pay for the contract through millage and spread the balance evenly. Meskin wants his option with the general fund paying the shortfall. Lorenz stated they are not going to use general fund money for the garbage fund. It is not a good trend to start. These other funds need to operate on their own. Lorenz could be in favor of the contract minus leaf paid for by millage and spreading the balance evenly. This would be a start in balancing it out between high and low end values.

Cassar asked if the additional cost, for each additional year, could be put in the spread evenly. Martin suggested if they do the contract amount minus leaf collection is collected by the millage rate to be set annually and the remainder set as a flat fee to spread evenly. This will not build up the fundbalance. If it does it would be very small.

Cassar would like to right a wrong. Lorenz can live with the blue example. Zubrzycki is more

inclined to go with the purple 1.87 mill. Dzenko agreed the blue one is a good start in the middle. Cassar could support the blue one. It is a move in the right direction.

2016/17 Proposed Budget

B-002-16

Martin stated all the millage rates have dropped again due to headlee. The Garbage and Rubbish rate will change based on their decision. Martin stated he didn't receive any questions from any of the Council, as he requested, so he assumed they were all good with this. Meskin stated he has questions.

Martin reviewed the revenue and expenditure summary. Meskin discussed the Community Center budget. He noticed we are only bringing in \$40,000 compared to the \$82,000 in expenses. He feels they should just sell the place. Lorenz asked what the ratio was for resident to non-resident rentals. Martin estimated more than half are non-residents. Lorenz suggested looking at maybe raising this fee again if they are still losing money. He added the Community Center was built for the community, but if renting to the general public, maybe it is too much of a bargain and the rate should be raised. Martin interjected showing repair costs rising, going from \$2166 to \$12,500 currently. There were repairs to the refrigerator, stove, doors, etc. If we catch them we charge them for it. Martin reminded them the purpose of the center was to be a true Community Center and if they didn't rent it there would still be repairs. Dzenko felt they should put this on the next study session agenda.

Meskin questioned the increase in the City Hall budget. Martin stated tax collection we always put a large number in there because we never know how much it will be. If there is a large tax tribunal refund they need to have that budgeted.

Lorenz asked if there is anything they need to discuss with the Police Department. Martin stated this increase is due to the additional employee they approved. They are still having a hard time getting part time employees and there is a possibility a full time employee may be taking another job with the Sheriff's Department. Lorenz asked if martin recalls the cost and number of employees to go with the Sheriff's Dept. Martin recalled they would use one employee between Keego Harbor and Sylvan Lake and it cost around \$470,000. Lorenz said at this time he is not interested in looking at changing, but some day they will need to. Martin stated if they add a Chief to the budget that will increase it by \$50,000 or more.

Martin reviewed Capital Improvements – a police vehicle will not be purchased in the current fiscal year so that will move to the proposed. Seawall they are looking to replace the point and the two areas by Lakeview beach. The DPW is putting away money for a new dump truck in the future. Same goes for Community Center; money is put away for roof, repairs, etc.

Martin will get the projections done. It is important to see where we are at and where we are going.

Council reviewed the budget for all the other funds and discussed paying back the \$97,000 the sewer fund borrowed from the general fund. It is in the budget to be paid back.

The budget and millage rates will need to be adopted at next week's regular meeting.

Adjournment

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

Yes: All
No: None

MOTION CARRIED

The meeting was adjourned at 8:02 p.m.

Dennise Dryden, City Clerk