

A study session of the Sylvan Lake City Council was held on Tuesday, February 23, 2016; opening at 6:12 p.m. Mayor Dzenko presiding. Mayor Dzenko presided over the Pledge of Allegiance.

Present: Cassar, Dzenko, Meskin, Zubrzycki

Absent: Lorenz

Also Present: City Manager Martin and Clerk Dryden

Approval of Agenda

Moved by Cassar, 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.

Rizzo Contract Extension

CA-002-16

Mayor Dzenko was pleased to see this proposal and liked the numbers.

Meskin asked if Martin got a response to his email regarding whether there would be a charge for fuel. Martin has not heard anything yet. He stated Attorney Schultz is looking into if it is ok to do this extension or if they need to go out for bid. Martin recommended the 8 years; it is the best long term rate over the 8 years. If they go out for bids then this deal goes away.

Meskin is scared with extending it for 8 years. Dzenko asked him why. Cassar stated he is good with 8 years. Zubrzycki agreed and stated why wouldn't they do the 8 years? It just makes sense.

Cassar asked if the contract has provisions for service charges. Martin stated they will make sure there aren't any dumping charges for leaves, fuel charges, etc.

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

Zubrzycki is interested if they have to go out to bid. Martin will let them know.

Garbage and Rubbish Funding

F-005-16

Martin provided an explained a spreadsheet prepared by him and Dennise. He indicated the spreadsheet is broken down by taxable values and how many households are in each increment. Then it shows the difference in cost that each household would pay by evenly spreading the total budget by household, by only spreading the contract evenly by household and levying the balance by a millage, or the last option, levying a millage for the contract and evenly spreading the balance of the budget. He noted there are 700 households under 100,000 taxable value that would be mostly affected. Dzenko confirmed the amount being spread evenly would go on the winter tax. Martin stated that is correct.

Meskin feels instead of hitting everyone for another increase he would like to use \$60,000 from the general fund for the next couple years and see how things work out. He is not sure how we got to this point. Martin reminded him of the plans they have for hiring people and planned projects. That will take a big hit out of any future surplus.

Cassar stated there were a lot of resident in attendance at the water/sewer rate increase meeting and they didn't understand at first and were upset but by the end this did understand it at least. It was beyond City Council's control. Cassar feels each fund needs to be self-supporting and each household should pay their share.

Zubrzycki answered Meskin's question on how we got here with this potential deficit. He recalls they looked at raising the rubbish millage but decided to hold it because they just voted millage increases for the general fund and police. Martin added he is correct and similarly, some council members thought there was too much money in the garbage and rubbish fund balance and lowered the millage rate which used up that fund balance and now we don't have enough. It is exactly what will happen with the general fund. If they want to do any improvements they won't have any money and there is no way to get more revenue without a vote. Zubrzycki is not questioning the shortfall. All the increases they have made were needed and beyond anything more council could do. He also feels the funds should not be paid from the general fund to support the garbage and rubbish. Zubrzycki thanked Martin and Dryden for the nicely laid out proposals; it is very easy to understand. There is also the expectation of the residents. They have all moved into the community with the expectation of what they were going to pay and the services they were provided with. He is not inclined to spread the whole thing evenly, that is too extreme. If they were just starting out then yes that is the way to do it.

Zubrzycki stated if they levied the current millage of 1.9782 mills it still doesn't cover the budget. Martin stated that is correct. They would either have to cut what they are doing-cut things like the leaf program and household hazardous waste program. Zubrzycki stated how he would propose this at the meeting, showing we will have a deficit in this budget and we can't fund it doing it the way things have been done. If we raise the millage rate we would still have a short fall. We have an option to get rid of some of those services, to get us under and keep us within budget. Council has also looked at some other alternatives to keep the services at the level where they are at.

Allocations to this fund are reviewed by the auditors with the same methodology we have always

used. Martin replied yes that is correct. OPEB and benefits were added a few years ago which did increase the budget. Zubrzycki asked if another scenario could be added – total millage to fully fund the G&R budget. Martin estimated it would take 2.7 mills. He will update the spreadsheet with this information.

Jim Endres doesn't agree with taking funds from the general fund to pay for the garbage and rubbish and also he doesn't agree with fully changing how residents pay for garbage and rubbish. Senior citizens can't afford this. He asked that a notice go out stating this will be discussed at the next meeting. Martin stated at the last four meetings under his City Manager comments he announced this was being discussed and a newsbyte went out too. Dzenko added this is part of the next budget so they don't need to make a final decision until May.

Seawall – Pontiac Drive and Lakeview Beach

F-006-16 L-001-16

Martin feels these were good prices. The three areas this proposal covers is the grassy area after the last house on the left on Pontiac point, the end of Pontiac Dr., and by the small beach on Lakeview, on both sides of it. He is still getting a price on a rock wall at the grass area of Pontiac Drive. It is not a used area so this would be ok for here. Also a sheet pile wall with boulders in front of it at the end of Pontiac Dr.

Cassar asked how that area would be finished for paving. Martin is going to ask the DEQ if we can extend that area and add grass area as filter for run off. It would be around 6-7 feet. Cassar stated that is a shallow area, nobody is going to come within 50' of it.

Zubrzycki asked if this is a better spot for boulders. Martin stated they were thinking they were going to do a combination of vinyl with boulders in the front of it.

Martin will incorporate this into the budget as we work on 2016/17.

2016/17 Goals and Objectives

F-007-16 B-001-16

Martin reminded Council the yellow items are currently budgeted and in progress. He discussed the white items, installing a new handicap ramp for City Hall. Martin met with Mike Grasser and discussed a brick with concrete ramp with a wrought iron railing. Also the front entrance would be narrowed and a wrought iron railing would be installed there. The current aluminum railing is bent. He is awaiting quotes for this. Cassar has a vendor that can do aluminum but it will look like wrought iron. There are many styles to pick from. Martin will work on getting competitive quotes. Cassar stated the AC unit will have to be moved. Martin agreed it would and the gas and phone lines too. Dzenko stated these are things they want to put in the proposed capital improvements budget next year.

Engineering/planning to investigate closing Woodland and Lakeland at Orchard Lake Road can wait unless council wants to move forward with this. He wasn't anticipating doing it this year, but it is a good thing to look at.

Installing video surveillance inside of City Hall and Police Department-Martin would like to do this and he getting quotes. New furniture and audio/visual equipment for offices, waiting area and conference room he is estimating \$50,000. He has not gotten any quotes yet. Cassar added there are places near here that have used office furniture, but looks like new. Jim Endres feels City Hall needs to be a showplace and they should not cheap out on it.

Installing automatic generator at City Hall and DPW garage is estimated to be \$52,000 because the objective will be to eliminate the electric service to City Hall and feed it underground from the DPW garage. The generator would be installed near the garage. Dzenko would like this in the budget and council agreed.

Installing automatic generator at the Community Center-Zubrzycki would like to leave this on the list for future reference. The electronic access/card system, Martin would like to do the Community Center. New exterior doors would be needed. The current ones don't work well. Dzenko asked Martin to get prices for this.

Seawall repairs are the areas already discussed and the proposal is cheaper than projected. Dzenko reminded everyone this will be put in the proposed budget.

Audio/visual installation at the Community Center-Martin explained screens were already purchased for the large room and he would like one for the meeting room also. Same with projector, one already purchased for large room but one needed for meeting room. Council was not really interested in purchasing and installing a basic sound system.

Police Department

P1-002-16

Martin provided an estimated cost to hire a full-time officer over a six-year period. It showed the yearly cost for part-time (wages and social security) and then full-time wages with benefits. He provided different scenarios for hiring officer with benefits as couple, 1 child and 2 children. Blue Cross is now based on age so these estimates could change.

Dzenko thanked him for this. Zubrzycki stated Martin already has the go ahead.

Adjournment

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

Yes: All
No: None

MOTION CARRIED

The meeting was adjourned at 7:40 p.m.

Dennise Dryden, City Clerk