

CITY OF SOUTH LYON  
SPECIAL CITY COUNCIL MEETING  
BUDGET WORKSHOP  
MAY 8, 2008

Mayor Doyle called the meeting to order at 7:00 p.m.  
Mayor Doyle led those present in the Pledge of Allegiance to the Flag

PRESENT: Mayor Doyle  
Council Members: Kivell, Kopkowski, Maida, Morelli, Selden and Wedell  
City Manager Cook  
City Clerk/Treasurer Zemke  
Department Heads: Collins, Kaska, Martin & Renwick

City Manager Cook stated that this budget is somewhat different then what we have seen in previous years. He has given some options as far as millages and potential lay-offs. He discussed the options including a shift of .65 mills from Capital Improvement to General Fund. It will not have impact on activities we are involved with this year and more than likely will not have impact next year. He discussed the upcoming projects including streetscape as well as the extension of the rail trail.

Councilman Wedell reviewed the three options. City Manager Cook stated that the beginning fund balance is what it is today, but could fluctuate depending how we end this year.

Discussion was held on State Shared Revenues. City Manager Cook stated that we are not showing any higher revenue from the State than last year.

Council Member Kopkowski asked why would we shift millage from Capital Improvement rather than Land Acquisition. City Manager Cook stated that we do not have any money in Land Acquisition. You could eliminate that, but you are only talking about \$48,000 because we took the bulk of the fund balance to purchase the Nettles's property. Further discussion was held on the Land Acquisition fund. It is more advantageous to take the funds out of Capital Improvement Fund. We have a decent fund balance there and we have never in any year taken every single penny and done projects with it.

City Manager Cook stated that things are going to happen over the next twelve months. The budget can be amended at any time. This is an initial budget for twelve months that we have to adopt to comply with State Law, but it is a continuous document. He stated that the document is based on a shift of .5 mills, however his recommendation is a shift of .65 mills. He stated that there are other ways to cut budgets as well.

Further discussion was held on the Land Acquisition Fund.

Councilman Selden questioned the final numbers for the Wastewater Treatment Plant. City Manager Cook stated that we amended this year's budget so the funds will come from there. If it does come out of next fiscal year, we will not have spent it this year and the budget can be amended.

Discussion was held on mileage paid to employees using their own vehicles. It was stated that \$ .405 is not what the IRS standard is. City Manager Cook stated that could be adjusted upward.

Councilman Wedell requested a discussion on the potential lay-offs. He stated that it has significant effect on the budget and fund balance. City Manager Cook stated that we would be looking at a Building Inspector and the School Liaison Officer. The question was asked what the School Liaison Officer does during the summer. Chief Collins stated that this person is used on regular patrol and summer is vacation time and this person fills in so that there is less overtime. It was stated that we have asked the Schools to contribute and they indicated that they were not interested in doing that. It was stated that South Lyon High East has a School Resource Officer which is funded by Lyon

Township. The question was asked if one officer could be used for both schools. It was stated that it is not possible because the schools are in two different jurisdictions.

Councilman Morelli asked if we are not doing any building, why would we keep the second inspector around. City Manager Cook stated that once you lose a building inspector, they are very hard to replace. It takes three years to educate and train them. They do not come in already trained. We have had two inspectors for many years. He further stated that we have enforcement issues that they can do at this point to off-set the decrease in building. We still have building permits being issued.

Council Member Kopkowski asked if we would be looking at the building inspector who is closer to retirement or the one who has the potential of staying here longer. City Manager Cook stated that we would look at the building inspector with the least amount of time at the City. Council Member Maida asked if there was thought of offering Joe Veltri a buy-out. City Manager Cook stated that he is not that close to retirement. Mayor Doyle stated he has talked with Joe, he does not plan on retiring for a while.

Council Member Kopkowski stated that it seems as though the city manager candidates that we have been interviewing have all been involved with economic growth and development. She stated the new city manager could take over the Economic Development Director's job. Councilman Selden stated that is asking a lot of a new city manager. Councilman Kivell stated that most of them seem as though they do that now. He asked how much traffic is coming out of that office. City Manager Cook stated that she also performs dual positions as his secretary. It was stated that is a very expensive secretary. City Manager Cook stated that she does perform those duties as well as handle coordination issues, etc. and does not see why you would want to lay her off. Councilman Kivell stated that it is because of the money and Council's perception of what her role is. Council Member Kopkowski stated that her feeling is that the new city manager would be more technologically inclined and able to do his own typing, etc. Mayor Doyle stated that it is not clear in a lot of different areas what she does do, understanding her duties with the DDA. She does perform some valuable functions, but he would rather go down that path than any area in public safety. City Manager Cook stated that his proposal is to not cut anyone at this time because there is not a need to do that. There are other services that are not generated by employees that could be looked at. Discussion was held on the budget being a flexible document. Councilman Wedell stated that we need to see what skills the new city manager brings to the job and let that person do the evaluation of staffing. Council Member Kopkowski stated that she would like to see this discussion be brought up again in six months after the new city manager has done his evaluation, looked at the budget and departments, etc.

Council Member Kopkowski stated that it needs to be cautioned who these documents go out to in the public. She has seen this in other people's hands and feels that it is 100% inappropriate. City Manager Cook stated that the documents were only given to department heads and Council, and the department heads did not get the first several pages.

Council proceeded to go through the budget page by page with questions.

Councilman Selden asked what the Drug Enforcement Fund is. Chief Collins stated that it is as a result of forfeited funds and these funds can be used for drug enforcement efforts. Council Member Maida asked if it could be used to subsidize the Substance Abuse Coalition. Chief Collins stated that it would have to be used for specific purchases for drug enforcement issues. Councilman Wedell asked if this is something that would require Council approval. City Manager Cook stated that it would in the end for approval of payment.

Questions were asked relating to specific line items.

Discussion was held on negotiations with the Police Patrol Unit. Council Member Kopkowski stated that we have been talking about a lay-off within the Police Department. We have to start negotiating with these unions for less benefit versus a job. We need to work on the overtime and holiday pay. It was stated that it is a 24/7 operation. Council Member Kopkowski stated that we need to look at the fringe benefits. They receive constant raises simply because they are union. There are a lot of places that are freezing wages yet ours continue to grow. Councilman Kivell stated that he is concerned that if

we go to arbitration we will get forced a contract that is retroactive and more punitive because we still have fund balance, and the union would say that we have resources available. He stated that he would like to see the negotiating committees mindful that we are in tough times and they do not want to be the factor that puts the City in financial jeopardy. Further discussion was held on contract negotiations.

Discussion was held on the use of the police motorcycle. Chief Collins stated that in an effort to save on gas prices, they will be using the motorcycle more than a car. Furthermore, they will be increasing the use of the bicycle as well as walking the downtown area several times per day. Council Member Kopkowski asked if they have thought about cutting down on the drive time and more sitting when they are in their cars. Discussion was held on the issues with sitting in hot vehicles as well as the cars idling.

Discussion was held on negotiating the contract for dispatch services with the City of Novi. Discussion was held on the split between Police and Fire. Additional discussion was held on what services are included. Chief Collins stated that in addition to dispatch services, it also includes access to Novi's lock-up which saves us sending an officer to Pontiac.

Councilman Selden left at 8:13 p.m.

The question was asked how many calls the Fire Department responds to. Chief Kaska stated that they have been averaging 650-680 per year, but it is not always the amount of calls, but rather the amount of hours spent. The additional \$2 per hour gets us closer to what other fire departments in the area are paying.

Additional questions were asked relating to specific line items.

Discussion was held on the designation of major streets.

Discussion was held on the road salt used over the winter. Superintendent Renwick stated that we did have a little left over. We received extra from the schools who store their salt at one of the landscaping companies, and they needed to get rid of it.

Council Member Kopkowski questioned the expenditure for the Storm Sewer Master Plan. She asked if this is mandated. Superintendent Renwick stated that it is mandated and it does need to be done by the end of the year. Council Member Kopkowski asked if we bid this out. It was stated that this would fall under our contract with HRC. Superintendent Renwick stated that we have to physically GPS these locations and report to the State and the EPA. City Manager Cook stated that when we went over 10,000 population, we picked up additional requirements.

Discussion was held on the wage split for Department of Public Works employees between the various departments including DPW, Major/Local Streets, Cemetery, Parks & Recreation and Water & Sewer.

Council Member Kopkowski stated that in regards to overtime, as a general comment, this is an area that can be looked at carefully. She does not want to see any more employees go. Superintendent Renwick stated that the overtime that we have comes from snow storms, watermain breaks, etc. These are not hours that we are scheduling. It was stated that they cannot prevent that.

Discussion was held on the decrease in proposed cost for utilities. Superintendent Renwick discussed the various aspects including the volleyball lights and the fact that it stays light out later, etc.

Discussion was held on the fact that we have not had the prison crew for several months. City Manager Cook stated that we will be getting our Camp White Lake Back. We will be addressing that at the next meeting.

Additional questions were asked relating to specific line items.

Discussion was held on tap-in fees. City Manager Cook stated that we are using part of the tap-in fees for operation until our rates get to be where they need to be. The last two years we have had increases, and we will be coming back with another projected increase. If you want to maintain our water system and provide service, you have to get the money somewhere. Superintendent Martin further discussed additional tap-in fees and additional fees as business change from retail to a restaurant for example. He discussed the tap-in structure.

Additional questions were asked relating to specific line items.

Councilman Kivell asked if the 1991 Special Assessment should be gone. City Manager Cook stated that this is the last time you will see it, but it has been included because it does show an audit. We have transferred those funds, and it will be gone next year.

Council concluded their question and comments regarding the budget.

Mayor Doyle stated that with regards to the City Manager interviews, we have had four Council Members agree to interview one additional candidate. Mr. Richards has indicated that he would be available for interview next Wednesday. Mayor Doyle stated that he is not available on that date. If Council wishes to conduct that interview, he is fine with that as he does know the individual. Councilman Wedell stated that he too would not be able to attend that meeting.

It was stated that the City Manager interviews was not a part of this agenda and should be discussed at a later date.

#### CM 5-1-08 – ADJOURNMENT

Motion by Wedell, supported by Morelli

To adjourn the meeting at 9:06 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

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John Doyle, Jr.  
Mayor

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Julie C. Zemke  
City Clerk/Treasurer