

City Council
Budget workshop meeting
April 20, 2009

Mayor Doyle called the meeting to order at 7:05 p.m.
Mayor Doyle led those present in the pledge of Allegiance to the Flag

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

No public Comments.

City Manager Murphy stated the format for this budget is the same as previous years and is the same that most municipalities use. He further stated the budget is to be used as a guide and it can change as things happen. Besides the department heads doing their budgets, Lori Mosier has been very involved with the preparation and will continue that involvement in the future.

City Manager Murphy stated that normally the equipment rental charge is based on the equipment being used from the length of time it is used. The state sends out a rental book each year to calculate the charge. Currently the City doesn't use it. We have based the rental charge on the bulk usage instead of calculating the charge. Numbers that have been used could be accurate or they could be way off. That is why the DPW will keep track of what they use on one job and for how long, that way we can implement this system in July of 2010. Rod Cook ran a very lean operation, which is great for the City, but that makes it difficult when trying to make cuts. The DPW, Water & Sewer and the Police departments are all short one full time position. One of the building inspectors is being laid off at the end of this month. The part time person in the Clerk/Treasurers office was absorbed when she left for a full time position and we have made as many cuts as possible without diminishing services. This budget utilizes fund balance, but the fund balance is a rainy day fund and it is pouring. He further stated he feels this is a good budget under the current economic conditions. We will be going into general fund by \$164,581. City Manager Murphy stated that number may end up being lower.

Chief Collins stated the most significant change or possible change is as Mr. Murphy stated, we are short one police officer and last week one clerical worker was terminated. The money for that position still appears in the budget because a grievance has been filed and we don't know if she will or will not be back. He is hoping to only hire a part time person to save some money.

Councilman Weddell questioned the professional services line item. He stated the Police Department has used \$4,800.00 so far this year, and it is budgeted for \$1,200.00. What you used in the first 3 quarters is less than ½ of what is budgeted for. Are there plans to use that or was there less professional services used this year and that will change next year? Chief Collins

stated that it is projected as a 5% increase of membership fees, and the usage fees, and possibly the LEIN agency fees. Discussion was held regarding fees.

Councilmember Kopkowski asked if we still had the school liaison officer. Chief Collins stated he would like to have the school resource officer, but he offered for the school to pay ½ of his wages and they weren't interested. For over 8 years the schools have not paid anything for the officer. The district chose not to pay ½ of the salary so rather than make a hole somewhere else he chose to pull the officer. She further asked if we still have the handicapped-parking officer. Chief Collins stated we currently have a parking officer who is also filling in for the clerical position. Some discussion was held regarding police cars and not getting a new one this year unless one is totaled.

Councilmember Kopkowski stated that Northville has a police budget that is the same as ours. They cut \$72,000 last year and \$75,000 more this year. She further stated she is very concerned about our police budget. She asked if the chief could discuss his proposed raise. Chief Collins stated the raise was planned for the budget we are currently in. That didn't happen because there was not anything in the narrative of the 08 - 09 budget. That is why the raise didn't happen. His current salary is \$80,778.00 which is still lower than most police chiefs in the area. Councilmember Kopkowski asked if that is in addition to the July 1 raise? Chief stated that for this budget year it is the same as the rest of the unions are getting. The rest of the money is something that he was suppose to get in the last budget year. Councilman Kivell stated when everyone else was getting 2 ½% last year the Chief got 6% increase. Now this is another increase of 8.1%. Chief Collins stated it is still lower than what other Police Chief's are making in comparable communities. Councilman Kivell stated that may be true, but the two leanest years the city has ever had, you are getting 3 fold what the officers are getting. Chief Collins stated he does admit the timing could be better. Mayor Doyle stated you can't compare the chief's job to a patrol officer. Councilman Kivell stated he would be more comfortable if we could spread this raise over 3 years. Councilmember Kopkowski stated she doesn't feel this is a good time for such a raise.

Superintendent Martin stated the water budget actually came in 1% less than last year. He further stated the wastewater budget is 7% higher than the budget we're in right now. The main reason isn't utilities anymore, but mostly chemical pricing.

Discussion was held regarding the price increase for chemicals over the last few years.

Superintendent Martin stated the largest expenditure in the year's budget is getting the 3 lift stations to have standby power. He has been working with DTE and they have offered to install all 3 generators at a package price of \$110,000 with them doing the bidding, installation, and engineering work. They are also willing to bill the city \$9,200 a month for 12 months. He further stated that this is a big-ticket item, but if we purchased these three, then all 8 lift stations would have standby power. Superintendent Martin stated when we have a power outage, it is so important to have those standby generators. It could take up to an hour between the time the call is made and the guys get the portable generators to the scene. Councilman Selden asked how many portable generators we have and what we would do with them. Superintendent Martin stated we would keep one. We could get revenue from the other two. He further stated we

didn't purchase the portables. As subdivisions came online in the community we would have the developer purchase a mobile generator.

Discussion was held regarding the revenues for the water department in the past year as well as this year. Superintendent Martin stated we will have a rate increase and it will bring in more money for the city. Discussion was held regarding the Plante and Moran presentation that was presented to council at a previous meeting. City Manager Murphy stated Plante and Moran were saying if we keep going the way we are now, what we have now moneywise would continue to go down until we have nothing. What they were saying with the rate increase of 13% and 7% will take into consideration some of the older equipment, maintenance and any problems that may encounter. They were looking at maintaining the status quo over the long term. . Councilman Kivell stated he doesn't feel that interpretation is accurate. He stated that the fund balance they were hoping to create for 2014 is where we are now. He further stated 7% and 13% isn't gigantic but when the cost of living is 2 or 3%, what drives the need to be more than 2 or 3 times the cost of living. Superintendent Martin stated we had a rate increase last year and that was the first in 12 years. Councilman Wedell stated the purpose of the Plante and Moran study was for us to have a model to put our numbers in to see where we need to be so we wouldn't be pulling numbers out of the air. He suggests council needs to pay attention to it. City Manager Murphy stated one big difference in the revenues is the tap fees. They are pretty much non-existent. Councilman Kivell asked about the Wellhead protection line item being reduced by \$10,000. If we are getting reimbursed 60%, why would we drop that off? Superintendent Martin stated it was just a way to cut the budget. Most of what we cut are promotional things like water bottles, talking to schools and dvds.

Superintendent Renwick stated this year was hard to budget. We are waiting to see what is going to be available with the stimulus fund. We are looking to reduce utilities in all the public buildings. The Public Works Department deals with water, sewer, parks and cemetery. We are trying to find ways to save energy and save on costs. He further stated we are going for some signage grants that have become available. The federal government has come out with a new mandate that we have to abide by regarding high intensity signage. Roads that have a speed limit over 25, all street name signs must be a certain size. Anything below that speed is a different size. They have given us so many years to do this. 3m has come up with a grant to help with replacing all our regulatory signs, such as stop, yield, speed limits, no parking signs and we need to make sure they are included with the grant. We have over 1500 signs in town. He stated he is still getting figures and will be trying to get grants for as much as he can.

Superintendent Renwick stated he would like to outfit one truck with a pre-wetting system. Everything he has heard about them is great. He would like to ease into it. One truck this year and maybe 2 next year. He stated the pre wetting is actually a brine solution, which is in a tank that fits onto the back of the truck and it would pre-wet the salt as it comes out of the truck. It is a mixture with beet juice and when it is mixed it will actually take the workability of salt down to 20 to 25 below. Right now we don't do that. When the temps go down to 10-15 degrees the salt doesn't work well. If you use a pre-wetting system it will work much better, also there will be a reduction in salt use. We would have to purchase a tank, as well as the solution. Councilmember Kopkowski stated that your budget is 17% higher than last year. She further asked if this is his wish list if you get the stimulus, or are you wanting do this regardless?

Superintendent Renwick stated whether we get the stimulus or not, these things need to be addressed. We can reduce a lot of utilities by doing some improvements. Councilmember Kopkowski stated she is very concerned with the increase of 17% and not knowing if there will be any stimulus money. Councilman Wedell questioned if Steve has done any calculation into the return on the investment of using the pre wetting system. Superintendent Renwick stated Wixom is currently using it, and all of their trucks are currently equipped with it and they are seeing a 30% reduction in salt usage, plus the material lasts longer, instead of having to do the streets multiple times during a storm, the brine stays on the road. Some discussion was held regarding the use of pre-wetting.

Discussion was held regarding specific line items.

Superintendent Kaska stated the Fire Department budget is straight forward. They are trying to lower the budget. They are currently looking for grants. The grant period will be opening up in May for new self-contained breathing apparatus. Ours is 15 years old and could be very costly. We are looking at over \$200,000. for 35 of them. We will be trying to get a grant for them. There was suppose to be a warranty, but the vendor conveniently can't find any of the paperwork, we are no longer using this vendor. Councilman Morelli asked about the membership and dues. It went from \$3,000.00 to \$6,000.00. Chief Kaska stated we had already joined all except the Oakland County Mutual Aid system which is \$3,000.00.

Discussion was held regarding the different pieces of equipment the Fire Department uses.

Superintendent Renwick stated the CDBG project is going to be the Chester Street storm water replacement. The total cost is \$58,165.00. The project is in the process of being approved by Oakland County. City Manager Murphy stated the funds for this project will be paid from the CDBG, Capital Improvement fund as well as the Local Streets fund.

Superintendent Renwick stated under the Major Streets expenditures there is some money for concrete work for Liberty and Detroit Street. Some discussion was held regarding other areas in the City that needs to be fixed as well.

Superintendent Renwick stated they tried to keep the Parks and Recreation budget down. The new item in this budget is the Equipment Replacement fund. Councilman Morelli asked if that \$10,000 is earmarked for a particular vehicle? Superintendent Renwick stated no, but he does need to replace the big 15 ft mower. It is 10 years old and it will not make it another year. Councilman Morelli asked where that money would come from? Superintendent Renwick stated that would come from the vehicle and equipment fund. Councilmember Maida asked about repaving the parking lot at Mchattie Park. Renwick stated it would be close, but we should be able to do it for \$15,000. Discussion was held about removing the back drop fencing behind the soft ball field at McHattie park. Superintendent Renwick stated the Parks and Recreation committee requested it be removed because kids are climbing it.

Council took a 5 minute break at 8:55p.m.

Council reconvened at 9:00p.m.

T.J. Connely stated the South Lyon residents have been spoiled, but he does have some questions. He asked what the minimum overtime is for DPW employees when they are called in. He further questioned how long it would take to plow all the streets in the City. Superintendent Renwick stated there is a minimum of 3 hours. He further stated it takes normally about 5 hours to hit every street, including alleys, streets, and parking lots. That doesn't include the trail. T.J. Connely stated there was a time a year or so ago during November when there was 1/4" of slush on the ground and they plowed more than once on a Saturday. As residents, they are very concerned with the streets. The salt that is used is tearing up the subdivisions roads. He can understand the main roads but on a Saturday 4 times in a subdivision is crazy. He further stated that he did notice we cut back on plowing and the people still made it to their driveways without incident. He stated if you switch to a flex schedule for the street sweeping and letting the guy come in early and leave early instead of it being done as on overtime it would save \$6,400.00. That would probably buy a furnace. City Manager Murphy stated those are good points and we should be looking at that.

City Manager Murphy stated Julie does the Administrative portion, but he will try to answer any questions council may have. Councilman Morelli questioned the operating expenses, there is a significant increase. City manager Murphy stated he would check with Julie. The question was asked regarding the increase in the education training portion for \$7,000. Discussion was held regarding the different conferences council and the city manager attends.

Councilmember Maida questioned the line item for the phones. It shows the same amount budgeted for last year, but we were supposed to see savings with the switch back to AT&T. Superintendent Department Head Martin stated we just started using the new cell phones and in time we should see the savings from the switch.

Discussion was held regarding the contractual services.

Discussion was held regarding the item number 969 the contribution to the schools for \$15,000. City Manager Murphy stated that was an agreement by the council in the past. That number is actually 1% of the cable franchise fees. Council would like to discuss this again at a later date.

Councilmember Maida asked if the item number 940-1 equipment replacement in the Cemetery budget was for the mower discussed earlier? Superintendent Renwick stated no, this is for a small mower. You can't use a large industrial mower at the cemetery because of the close proximity of the stones. Councilman Morelli stated he would like to know what the equipment rental charge is for? Renwick stated we would use that money if we had to replace the electric or something out there and we had to rent a trencher or another piece of equipment we don't own.

Discussion was held regarding the Land Acquisition fund, and the possible use of it in the future. Discussion was held regarding the taxes on the two rental houses the city owns.

Chief Collins stated that the Drug Forfeiture fund can only be used for new equipment for drug enforcement.

Discussion was held regarding the DDA operating fund coming in around \$61,000 for the year.

Additional questions were asked relating to specific line items.

Council concluded their questions and comments regarding the budget.

Superintendent Martin stated that on April 15th the housing commission received a grant for \$35,000 for furnaces, air conditioners, and fixing the parking lot.

Discussion was held regarding the next couple of years and how tough it is going to be with the decreasing tax values.

CM 4-1-09 ADJOURNMENT

Motion by Selden, supported by Wedell
To adjourn the meeting at 10:10p.m.

VOTE:
UNANIMOUSLY

MOTION CARRIED

Respectfully submitted

John Doyle, Jr

Mayor

Lisa Lynch

Assistant Clerk/Treasurer