

**MINUTES
ST. CLAIR SHORES CITY COUNCIL MEETING
APRIL 19, 2010**

Regular Meeting of the City Council, held in the Council Chambers, located at 27600 Jefferson Circle Dr., St. Clair Shores, Michigan.

Present: Mayor Hison, Council Members Frederick, McFadyen, Rubello, Rubino, Rusie and Walby

Also Present: City Manager Hughes, City Clerk Kotowski, Directors Babcock, D'Herde, Esler, Haney, Koto, Rayes and City Attorney Ihrle

1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Hison called the meeting to order at 7:00 p.m. Ms. Kotowski, City Clerk, called the roll with a quorum present. The Pledge of Allegiance was recited by those in attendance.

Mayor Hison noted that Mr. Bugay's proclamation has been rescheduled for the next meeting and agenda item 11c has been removed.

On the subject of the City's pool sharing with Eastpointe and Roseville, Mayor Hison clarified that it has been reviewed and it will not take place.

Mr. Hughes stated because of budgetary concerns, Eastpointe will be closing their swimming pool and has asked the City to consider sharing the pool. In 2009, on a trial basis, St. Clair Shores signed an agreement with Roseville to allow its residents use our swimming pool for a higher fee and in return, St. Clair Shores residents were allowed to use their gym. As a result of cooperative meetings, Mr. Hughes reported that Eastpointe withdrew their request to use the swimming pool in 2010 and the agreement with Roseville has been nullified (they will not be using our pool or the Blossom Heath boat launch).

Mr. Hughes added that the three cities remain committed to work together but understand that some municipal services are for residents only.

Mayor Hison thanked the residents for their comments, noting we are listening to you and your voices are always being considered.

2. PROCLAMATIONS & PRESENTATIONS

a. Blessing of the Fleet June 5, 2010

Mayor Hison presented Commodore Ken Kmieske and Fleet Captain Leslie Leitch, of Jefferson Yacht Club, the following proclamation:

**PROCLAMATION IN HONOR OF THE
52nd ANNUAL
BLESSING OF THE FLEET DAY**

WHEREAS, the Mayor and the Council of the City of St. Clair Shores wish to recognize the positive publicity generated by the Annual Blessing of the Fleet, and wish to acknowledge the role of the Jefferson Yacht Club in their sponsorship of this important annual event; and

WHEREAS, the members of the Jefferson Yacht Club, as well as the many other pleasure boaters who utilize and enjoy the extensive boating facilities available in the City, have helped to make the City of St. Clair Shores the Flagship of Lake St. Clair; and

WHEREAS, pleasure boating is one of the City's greatest recreational and economic assets;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and the Council of the City of St. Clair Shores do hereby proclaim June 5, 2010 as the 52nd Annual Blessing of the Fleet Day in the City of St. Clair Shores, and thank the many boaters who attend the event for their continuing patronage of St. Clair Shores recreational facilities and businesses.

Presented this 19th day of April 2010.

2a. Blessing of the Fleet June 5, 2010 cont'd.

Mr. Leitch announced this annual event will be held on June 5, 2010 starting at 10:00 a.m. The event recognizes members who passed away, starts off the boating season on Lac Ste. Claire, and informs boaters of safety measures on the lake.

b. **Tom Bugay** (rescheduled to 5/3/10)

3. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT)

Jim Goodfellow, 22476 Lakeland, Agenda Item 10. Mr. Goodfellow passed.

John DeBusscher, 774 Country Club, Agenda Item 8. Mr. DeBusscher emphasized the need to update watermain and sewer systems throughout the City as they age.

Elaine Bresko, 28720 Jefferson, Agenda Item 10. Ms. Bresko inquired about future intentions of sharing the pool and acquiring the Grosse Pointe Woods Park located in St. Clair Shores. Mayor Hison responded that no future agreements were made regarding the pool use by other municipalities. The City of Grosse Pointe Woods owns the park and pays taxes for the property.

Walter Herzog, 22713 Amherst, Agenda Item 10. Mr. Herzog congratulated the City on the pool sharing decision.

4. REQUEST FROM ANYTIME FITNESS OF ST. CLAIR SHORES TO HOLD A BBQ AND BOOT CAMP FUNDRAISER APRIL 24, 2010 FROM 11:00 A.M. TO 4:00 P.M. TO BENEFIT SANDCASTLES GRIEF SUPPORT PROGRAM

Ms. Christine Wierenga, Anytime Fitness of St. Clair Shores, requested permission to hold a fundraiser for a local charity, SandCastles. The event is scheduled for April 24, 2010 from 11:00 a.m. to 4:00 p.m. and it consists of a barbeque, free boot camp activities, free work out, and free seven day passes. Ten percent of full paid memberships that day are donated to the SandCastles Grief Support Program. Proceeds collected that day will help the organization open another location for their grief counseling.

Currently, SandCastles has seven locations in the Metro Detroit Area providing grief support for local children who have lost a loved one. They also hold a camp in the summer and SandCastles covers the cost for families that can not afford the \$100 suggested donation.

Ms. Wierenga confirmed that Anytime Fitness acquired the necessary food handlers' permit from the Macomb County Health Department for the BBQ event.

Motion by Frederick, seconded by Walby to approve the request from Anytime Fitness of St. Clair Shores to hold a BBQ and Boot Camp Fundraiser at 30110 Harper on April 24, 2010 from 11:00 a.m. to 4:00 p.m. to benefit SandCastles Grief Support Program.

Ayes: All – 7

5. REQUEST TO AMEND SITE PLAN PC 06-23 AT 24401 HARPER, EL CHARRO MEXICAN RESTAURANT, TO ALLOW DRIVE-THROUGH BUSINESS HOURS UNTIL 3:00 A.M., PETITIONER STEVEN SELLARS (rescheduled from 4/5/10)

Mr. Steven Sellars, general manager of El Charro Mexican Restaurant, presented his request to amend the site plan approved on October 16, 2006 for El Charro Mexican Restaurant at 24401 Harper by extending the drive-through hours until 3:00 a.m., starting the weekend after Memorial Day.

Presently, drive-through hours are at the latest 11:00 p.m. The purpose of the request is to generate revenue, join with the competitive business around the community and help generate more business on Harper Avenue.

Ms. Rusie stated that it's essential for businesses to remain competitive and has no problems with their request.

Ms. McFadyen commented on the safety issues related to late hours. Mr. Sellars stated the restaurant has the necessary security measures in place.

Mr. Walby asked if the new business hours will be for the entire year and whether it will be based on a trial period. Mr. Sellars confirmed El Charro requested drive-through hours until 3:00 a.m. as a permanent request change.

Mr. Rubello abstained from voting on this item because he has recently done business with the restaurant.

5. REQUEST TO AMEND SITE PLAN PC 06-23 AT 24401 HARPER cont'd.

Mayor Hison stated the restaurant has done a great job with the facility and their service but is concerned about young employees working late.

Motion by McFadyen, seconded by Rusie to approve a request to amend Site Plan PC 06-23, to allow drive through business hours until 3:00 a.m. at 22401 Harper, El Charro Mexican Restaurant.

Ayes: All – 5
Nay: Hison
Abstain: Rubello

6. REQUEST FOR PLANNING COMMISSION CASE PC 10-02, APPROVAL OF PROPOSED ACTIVITIES FOR THE 2010-2011 CDBG PROGRAM YEAR

A public hearing was held on March 23, 2010 at the Planning Commission meeting, at which time comments from the public were heard regarding the use of the CDBG funds. On April 13, 2010, the Planning Commission recommended approval of the 2010/2011 Annual Action Plan activities.

Ms. Koto presented the activities proposed for the 2010-2011 CDBG program year as follows:

<i>Activity Name</i>	<i>Budget</i>	<i>Carryover</i>	<i>Total Budget</i>
Homeowner Rehabilitation	200,000.00		200,000.00
Senior Activity Center Operations	132,700.00		132,700.00
Senior Chore	10,000.00		10,000.00
Care House	4,500.00		4,500.00
MCREST	4,500.00		4,500.00
Turning Point	4,500.00		4,500.00
Lighthouse Outreach	10,000.00		10,000.00
Care Community Net	2,500.00		2,500.00
Planning Studies	25,000.00		25,000.00
Administration	0.00	100,000.00	100,000.00
Sidewalk Repair Assistance Program	5,000.00		5,000.00
Street and Infrastructure Repair	579,562.00	92,000.00	671,562.00
Code Enforcement Wages	0.00	220,000.00	220,000.00
Rental Rehab	50,000.00		50,000.00
<i>Amount budgeted:</i>	1,028,262.00	412,000.00	1,440,262.00
<i>Amount available to budget:</i>	1,028,262.00		

Mayor Hison inquired what can be done to provide more CDBG funds to the Senior Activity Center to avoid using more General Fund money. The memberships and grants do not cover their operation costs. Ms. Koto explained there is a cap of 15% of the total grant to be used on public services which include: the Senior Activity Center Operations, Senior Chore, Care House, MCREST, Turning Point, Lighthouse Outreach, and Care Community Net. The allowed amount to be divided between these organizations is \$168,700. In order to allocate more money to the Senior Activity Center, money would have to be shifted from the other organizations. If the City was to eliminate funding the non-profit organizations, we would possibly face some penalty from HUD. They look highly to communities that help non-profit organizations.

Mr. Rubello pointed out that some of the organizations are receiving more money than they requested; some of that money can be shifted to the Senior Activity Center. Ms. Koto clarified that the funds are only used as St. Clair Shores residents use these organizations.

Ms. McFadyen noted that the Senior Center has raised their membership fees and is trying to keep costs down. She would like to see some more money transferred to this facility in order to maintain its operation.

Ms. Rusie agreed the Senior Center needs more assistance especially because of the economic hardships; more people enjoy an affordable good meal. Ms. Rusie asked about cap limits. Ms. Koto stated that the City must maintain 1.5 years of funding on hand at any given time and is comfortable of not losing the carryover funds.

6. REQUEST FOR APPROVAL OF PROPOSED ACTIVITIES FOR THE 2010-2011 CDBG PROGRAM YEAR cont'd.

Mr. Walby commented on the funds allocated for Administration and if some of it can be shifted to pay for the Senior Center van driver and temporary coordinator's wages. We have to be creative on how to maneuver the funds to save money from the General Fund.

Mr. Walby inquired why most of the funds were not used for the sidewalk program last year. Ms. Koto explained that each district's need for assistance is different. In addition, carryover funds were available from the previous year. However, for this year's district, the City anticipates a lot of calls and to use the budgeted amount.

Mr. Frederick requested additional creative ways to plot the CDBG budget in time for the City to submit the proposal to the State.

Mayor Hison suggested reviewing and adjusting the CDBG budget to support the Senior Activity Center with more money.

Motion by McFadyen, seconded by Rubello to TABLE the request for approval for proposed activities for the 2010-2011 CDBG Program Year, PC 10-02 to May 3, 2010.

Ayes: All – 7

7. REQUEST FOR PLANNING COMMISSION CASES PC 10-03 AND 10-03A AT 24605 JEFFERSON, PETITIONER RUSSELL ACHATZ

a. Request for Special Land Use Approval PC 10-03A for Central Lakefront District and Outdoor Seating

Mr. Russell Achatz Jr. and Mr. Russell Achatz Sr., 22005 O'Connor, requested special land use approval in the Central Lakefront District for a proposed restaurant, Achatz Hamburgers, at 24605 Jefferson.

Mr. Ihrle noted the parcel has previously been used for a restaurant and it is not necessary to review the details of the restaurant for special land use approval. All Central Lakefront District land use requires City Council's approval.

Motion by Walby, seconded by Frederick to approve a request for special land use approval to allow a restaurant and outdoor seating, at 24605 Jefferson, PC 10-03, as recommended by the Planning Commission, subject to the conditions of the City Planer's report, including: 1) The petitioner must provide a waiver of liability and list the City as an additional insured, as the proposed outdoor seating area encroaches on the City's right of way, 2) A lease agreement as determined by the city attorney must be completed, 3) Hours of operation to be from 11:00 a.m. to 10:00 p.m., daily, 4) Music allowed to 10:00 p.m. and 5) The Planning Commission and City Council understand that your presence here tonight constitutes that you are a legal representative of the petitioner for Planning Cases 10-03 and 10-03A. Each statement of intent, promise and/or pledge, made by you, the petitioner or agent, either orally or in writing, if permitted by Ordinance, shall be binding upon the petitioner and shall be a condition of said site plan approval.

Ayes: All – 7

b. Request for Site Plan Approval PC 10-03 for a new restaurant called Achatz Hamburgers

Mr. Achatz stated they will not be modifying the 18th Street Deli layout. They will have similar seating with five outdoor tables (four seats each), for a total of 20 outdoor seats and 54 total seats (indoor and outdoor). The building is split but currently not being occupied by other tenants. Mr. Achatz noted that Colony Marine has agreed to provide additional parking if needed.

Mr. Ihrle commented that the parking agreement needs to be far more substantial and in a recordable format. Mr. Ihrle can assist in drafting an adequate parking agreement between the two parties. Mr. Achatz responded they are willing to do whatever needs to be done correctly as they are planning to be there for a long time.

Mr. Achatz stated the lease agreement he has with the landlord doesn't allow him to sell the business and added that the landlord will not contract another food establishment next to his restaurant.

Ms. Koto explained that CLD parking requirements are left up to Council's approval but as a guideline, other districts require one parking spot for every 75 square feet.

Mayor Hison spoke on the need for an additional parking agreement. The restaurant is adding 20 outdoor seats and has 11 spaces allocated because of the shared building. It is important to avoid residential street parking.

7b. Request for Site Plan Approval PC 10-03 for a new restaurant called Achatz Hamburgers cont'd.

Mr. Ihrle added that a hold harmless agreement is required because the outdoor seating will be within the City's right-of-way. This is a normal procedure and a written agreement is needed holding the City harmless in case something happens in the right-of-way. In addition, a lease amount is settled by the administration for its use.

Mr. Rubino voiced his concerns of parking requirements based on square footage rather than seating. Mr. Ihrle noted that it's easier to decrease a higher parking requirement, rather than increase parking requirements.

Mr. Frederick suggested approving the site plan subject to a parking agreement reviewed by Mr. Ihrle.

Mr. Rubello agreed with Mr. Rubino on correcting the issues with the parking ordinance. Mayor Hison stated that in other areas, parking is one of the major problems in the City but the ordinance can be studied.

Mr. Hughes planned with Mr. Rayes and Ms. Koto to review the current CLD requirements to bring back to Council in 2010 for revision approval.

Ms. Rusie proposed having the Sign Ordinance Sub-Committee review the parking ordinance as well, making it easier for businesses to do business in the Shores.

Ms. Koto added Achatz Hamburgers is not required to fence in their outdoor seating area because they do not hold a liquor license. Mr. Achatz hopes to open the restaurant within a few weeks.

Motion by Walby, seconded by Frederick to approve a request for site plan approval to allow a restaurant and outdoor seating, at 24605 Jefferson, PC 10-03A, as recommended by the Planning Commission, subject to the conditions of the City Planer's Report, including: 1) A lease agreement, a hold harmless agreement, and a waiver of liability must be provided, as outdoor seating is proposed in the City right-of-way, 2) All signage requires permits and Council approval, 3) No signage is permitted in any required setbacks, 4) No parking is allowed on unimproved surfaces, 5) A written agreement, with the property owners, must be obtained to use the vacant lot to the north for parking, 6) The parking lot needs to be repaired and re-striped and debris is to be removed, 7) The drafting of a recordable offsite parking agreement to meet sufficient parking requirements be submitted to the City Attorney for approval, and 8) The Planning Commission and City Council understand that your presence here tonight constitutes that you are a legal representative of the petitioner for Planning Cases 10-03 and 10-03A. Each statement of intent, promise and/or pledge, made by you, the petitioner or agent, either orally or in writing, if permitted by Ordinance, shall be binding upon the petitioner and shall be a condition of said site plan approval.

Ayes: All – 7

8. REQUEST TO APPROVE A RESOLUTION TO PROCEED WITH A DRINKING WATER REVOLVING FUND LOAN

Mr. Babcock noted a resolution is needed to submit an application for a State of Michigan Drinking Water Revolving Fund loan. The total project cost is \$5,154,400; based on a 20-year loan period and a 2.5% interest rate, the estimated annual debt service is \$300,430 (\$11 per year per water meter). If the application is approved by the State, construction would begin in early 2011. The complete application has been available for the public to view in the Library and the Clerk's Office. A public hearing was held today at 3:30 p.m. in Council Chambers to further explain the application to the public and to allow for any comments or concerns to be voiced and recorded. The public also had the chance to send comments to the City Clerk as posted in the Notice of Public Hearing, published in the Sentinel Newspaper on March 17, 2010. Ms. Kotowski confirmed no comments were received by the Clerk's Office.

Mr. Babcock added that six residents attended the public hearing. One resident suggested paying more money to pay off the loan and another questioned the cost to the City.

Loans are available to improve water quality and infrastructure. St. Clair Shores proposes to replace deficient water mains starting with the oldest mains which have experienced the most breaks based upon water breaks history report developed by the City. The project plan anticipates replacing two water mains along major roads (11 Mile Road, 1-94 to Little Mack, and 9 Mile Road, 1-94 to Harper) in addition to replacing water mains along sections of six residential streets (Edgewater, Fresard, Talbot, Detour, Gorrssedale, and Maxine). The City would hear in August on projects awarded.

Ms. Rusie questioned the likelihood of being approved for the loan. Mr. Chown, AEW consultant engineer, noted the State uses a 1,000 points system and St. Clair Shores stands at roughly 325 points, which is average for approval. It depends on the priority of other projects. If we are not awarded this year, the application would stay in to be considered next year.

8. REQUEST TO APPROVE A RESOLUTION TO PROCEED WITH A DWRF LOAN cont'd.

Mr. Chown added that in some areas the diameter of the pipes is not being increased. They follow a computerized model of the system to determine the pipe size needed. Water quality standards do not allow 6" pipes, and therefore those are being replaced with 8". Cast iron pipes from the 1920's are being replaced with a more durable PVC material.

Mr. Babcock noted the 9 Mile Road watermain replacement was pushed forward at this time because of the paving project and the watermain being under the road.

Mr. Rubino was concerned with the accuracy of the projected cost. He talked about the Shady Lane project costing 55% more than it was initially proposed. Mr. Babcock responded that the project required additional work, as they had to install and relocate storm sewer and it was decided to do more patching using street funds.

The \$5 million loan will be paid out of the Water Utility Fund only; the loan would be through the Michigan Municipal Bond Authority with a 2.5% interest rate.

Mr. Hughes recognized that the improvements are not above ground for everyone to see the end result, but it assures good drinking water and if watermains are neglected, they can become a bigger problem and expense in the future. This project will lead to good infra structure for many years to come.

Motion by McFadyen, seconded by Walby to approve the resolution to proceed with a Drinking Water Revolving Fund loan, as follows:

A RESOLUTION ADOPTING A FINAL PROJECT PLAN FOR WATER MAIN UTILITY IMPROVEMENTS AND DESIGNATING AN AUTHORIZED PROJECT REPRESENTATIVE

WHEREAS, the City of Saint Clair Shores recognizes the need to make improvements of its existing water distribution system; and

WHEREAS, the City of Saint Clair Shores authorized Anderson, Eckstein and Westrick, Inc. to prepare a Project Plan, which recommends construction of the City of Saint Clair Shores Water Main Utility Rehabilitation Projects; and

WHEREAS, said Project Plan was presented and discussed at a Public Hearing held at the city of Saint Clair Shores Municipal Building on April 19, 2010 at 3:30 PM and all public comments have been considered and addressed;

NOW THEREFORE BE IT RESOLVED, that the City of Saint Clair Shores formally adopts said Project Plan and agrees to implement the selected alternative for water main utility improvements.

BE IT FURTHER RESOLVED, that the City Manager a position currently held by Benjamin M. Hughes, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project Plan to the Michigan Department of Natural Resources and Environmental, Water Bureau, Revolving Loan and Operator Certification Section, as the first step in applying to the State of Michigan for a Drinking Water Revolving Fund Loan to assist in the implementation of the selected alternative.

Ayes: All – 7

9. CONSIDERATION OF A COLLECTIVE BARGAINING AGREEMENT WITH AFSCME LOCAL 1015

Mr. Smith presented a tentative agreement with the AFSCME LOCAL 1015, which consists of the general employees (currently 70 employees). The agreement was negotiated in November 2009 and ratified by the unit in December 2009. The agreement mirrors, with a few exceptions, the one entered with the PEA unit in November of last year.

Mr. Smith summarized the following changes to the proposed agreement with AFSCME Local 1015:

- Three year contract through June 30, 2013
- Imposes a wage freeze for the duration of the agreement.
- Effective upon ratification of this agreement a new wage plan shall be utilized for all employees hired after that date that shall reflect a twenty (20%) reduction from the original wage schedule.
- Increase in Employee contribution to the Defined Benefit pension system by 1/2% of pensionable wages on July 1, 2010 and an additional 1/2% percent on July 1, 2011 (projected savings of 17,000 in year one).

9. CONSIDERATION OF A COLLECTIVE BARGAINING AGREEMENT WITH AFSCME LOCAL 1015 cont'd.

- Re-establishes the optional utilization of compensatory time in lieu of overtime payment. Bank that time and cash out at different time, cost more, 3 year wage freeze, money will not grow. Savings up front.
- Eliminates the benefit of retiree health care (estimated annual cost of \$7,700 per employee per year) for all new hires and replaces that benefit with a Retiree Health Savings plan (RHS) with a one (1%) Employee contribution and a two (2%) percent Employer contribution (estimated annual cost per employee of \$1,400 per year, resulting estimated savings of \$6,300 per employee per year).
- Effective 7/1/2010 – We will change prescription drug coverage to Option C of the Healthy Blue incentives. Adds a new rider that requires increased co-pays for Chiropractic care. 4.36% decrease in health insurance cost.
- Provides new language that provides that insurance coverage shall not be provided to more than one member of a married couple who are both employed by the City.
- New hires shall be limited to health and dental insurance coverage to the employee and spouse only. (Reduces potential cost to City by as much a \$3,700 each employee annually).
- Limits health insurance coverage for future retirees to employee and spouse only (reduces potential cost to City by as much a \$3,000 each retiree annually).
- Eliminates the longevity benefit for all new hires. Maximum 2,000 longevity pay.
- Expanded language regarding the time period in which the utilization of temporary employees are permitted in the area of Parks & Recreation. To make sure parks are in good shape.

Mr. Smith stated the preliminary budget meetings have delayed bringing this contract for approval; he was directed to negotiate with all bargaining units wage concessions. The union advised him to present the tentative agreement as it was ratified in December.

Mr. Smith noted the number of employees in this unit has been cut 30% since 2000, although services remained the same. The administration analyzes each position as it becomes available. There are ten employees eligible to retire today and five more in the next fiscal year.

Mr. Rubino noted that we're looking for concessions from all departments. Mr. Smith estimated 3% concessions through this tentative agreement.

Mr. Walby pointed out that the proposed budget to be discussed in May included the 5% wage concessions from everyone, which equates to over \$800,000 in savings for the next budget year. He stated concessions are necessary and many communities and the County have already done it. Mr. Smith added that concessions and the elimination of jobs were done in the previous contracts. The City has led the way in cost saving measures and that is why we are not in the situations other municipalities are facing.

Mr. Frederick was upset the agreement was not presented to them earlier. He asked what 30% less employees equate into savings. Mr. Smith estimated over \$1 million dollars.

Mayor Hison talked about the time delay between the unit ratifying the agreement and tonight. The City has been discussing the next five years. Initially, there was a \$5 million shortfall for the next fiscal year. In December, the shortfall was reduced by \$1 million due to increase in fees and budget cuts. Mayor Hison stated the goal is to not lay off any employees, which would then lead to reduction in services.

Mr. Rubino agreed that this is not an easy decision but the shortfall only increases in the next years and we need to work together. He stated that before the City asks the residents for more taxes, employees have to give back as well. He encouraged everyone to work together.

Motion by Walby, seconded by Rubino to DENY the collective bargaining agreement between the City of St. Clair Shores and AFSCME Local 1015 which will expire on June 30, 2013.

A roll call vote was taken.

Ayes: Walby, Rubino, Rubello, Rusie, Hison

Nays: Frederick, McFadyen

Motion carried.

10. REQUEST FROM COUNCIL MEMBERS FOR DISCUSSION ON THE AGREEMENT WITH THE CITY OF ROSEVILLE FOR COLLABORATIVE USE OF CITY'S SWIMMING POOL

Ms. Rusie initiated the discussion to inform the residents of the Roseville agreement and the possible Eastpointe agreement.

Ms. Rusie talked about the agreement between the Mayors of St. Clair Shores and Roseville for their use of our pool and boat ramp at Blossom Heath and in exchange our seniors using their gym for four hours a week. She discussed the language in the agreement for automatic renewal and the fact the agreement did not come before Council for approval.

Mayor Hison responded that the previous Council was contacted and they all agreed to go forward with this trial agreement.

Mr. Ihrie noted that whenever the City is involved in purchasing goods, materials or services over \$10,000, approval by Council at a regular meeting is required. Under normal circumstances, if a contract falls under the jurisdiction of the City Council, it would have to be done by Council vote.

Ms. Rusie noted that the open meetings act does allow polling and she requested Council not execute contracts without Agenda placement.

Ms. Rusie questioned any other contracts that have been approved in this fashion. Mr. Ihrie is not aware of any and has no personal knowledge of what happened with the Roseville agreement.

Mr. Rubino noted he was concerned that residents were unaware of this agreement and was glad the agreement would not be renewed.

Mayor Hison stated executed contracts are communicated to Council through the Thursday Information Packet. Very few Roseville residents used the pool last year due to the poor weather. This agreement also benefited our seniors who have no gym access in our City. This item would have been reviewed at budget time.

Motion by Rusie, seconded McFadyen to receive and file the correspondence regarding the agreement with the City of Roseville for collaborative use of the City's swimming pool.

Ayes: All – 7

11. BIDS/CONTRACTS/PURCHASE ORDERS

a. Request to enter into and authorize the execution of MDOT Contract No. 09-5717 – Highway I-696, Highway I-94 and 11 Mile Road Reconstruction Contract by the City Manager and City Clerk

Mr. Babcock stated the Michigan Department of Transportation recently awarded the I-696 & I-94 Interchange Reconstruction Project to Angelo lafrate Construction Company in the amount of \$27,660,188. As an Act 51 participating community, we are required to participate in the portion of the project that adjoins the City limits.

The St. Clair Shores local cost share is \$192,000. Costs associated with the project have been budgeted in the FY 09/10 and FY 10/11 budgets.

Mr. Babcock requested permission to authorize the execution of MDOT Contract No. 09-5717 by the City Manager and City Clerk. All cities abutting the roads have a local share depending on how many miles lie alongside the city and its population.

Mr. Ihrie indicated he will review and approve the execution of the contract.

Motion by Walby, seconded by Rubino to approve a request to enter into and authorize the execution of MDOT Contract No. 09-5717 – 2010 I-696 & I-94 Interchange Reconstruction Project by the City Manager and City Clerk.

Ayes: All – 7

11b. Request to enter into and authorize the execution of MDOT Contract No. 10-5296 – 9 Mile Road from Harper to Jefferson Reconstruction Contract by the City Manager and City Clerk

Mr. Babcock noted the Michigan Department of Transportation is currently advertising the 9 Mile Reconstruction Project, from Harper to Jefferson, to receive bids for a bid letting of May 7, 2010. The project consists of the removal of all pavement, installation and grading of base materials, and new 9-inch concrete pavement and integral curb. Work is scheduled to begin in early June and last throughout the construction season in two stages. Stage 1 will reconstruct the south half of the road and stage 2 the north half of the road to help out businesses and residents.

Question was raised whether TIFA can pay for a portion of our share. Only an intersection is within the TIFA district and they have funded the street lights and have been asked to give \$300,000 back to the City's General Fund (totaling \$430,000 after giving back to the County). TIFA needs to be keep money in the bank to meet bond covenants.

The total construction cost is \$3,037,000 and the St. Clair Shores local cost share is \$588,500. This project includes American Recovery and Reinvestment Funds. Costs associated with the 2010 9 Mile Road Reconstruction Project have been budgeted in the FY 09/10 budget.

Motion by Walby, seconded by McFadyen to approve a request to enter into and authorize the execution of MDOT Contract No. 10-5296 – 2010 9 Mile Reconstruction Project, Harper to Jefferson by the City Manager and City Clerk.

Ayes: All – 7

c. Request to award bid for the Rehabilitation of 23424 Grove and 21020 Bon Hour (bids opened 4/13/10)

Mr. Rayes stated the bids for basement improvements of the two homes were lower than \$10,000 and therefore has been removed from the agenda.

d. Request for approval of Blanket Purchase Order of rock salt for 2011 season

Mr. Haney stated the City has been purchasing rock salt through the MITN group for many years. Last year, 41 entities participated in the purchase.

Two winters ago, the City ran out of rock salt, along with the whole region. When the order was placed for last winter, the order was increased from 3,000 tons to 3,500 tons. The vendor requested a 70% guarantee (to purchase 70% of our gross). The minimum guarantee was 2,450 tons and we purchased 1,428 tons leaving a balance of 1,022 tons to purchase. Our facility is full as are most facilities in the region, due to the mild winter last year. Detroit Salt has offered to store the salt for \$2.50 per ton (one time fee). The State of Michigan program is charging \$5.00 per ton to store excess salt.

Detroit Salt elected to use the clause in their contract to negotiate next year's price. They are asking for a 10% increase in price or \$48.55 per ton. Since we have a salt dome full of salt and will have the balance of our commitment to purchase salt this year, the City can cut back on the amount of salt for next year, proposing 1,378 tons. That would make available to the City the normal 3,000 tons ordered in the past. Many members in the purchasing consortium have accepted this negotiated price using the following considerations:

- Last year Detroit Salt's price was over 40% less than the second low bid from North American Salt.
- Detroit Salt has been the lowest bid for the cooperative for five consecutive years.
- Detroit Salt is mined and delivered in Michigan, by Michigan based companies. Other salt companies import (from Canada) much, if not all of the salt for this region.
- With the current economic instability, there is a strong possibility that requesting bids could increase costs.

Mr. Rubino was concerned with buying so much salt because the City has only used so much once in 20 years and now we have the Epoke system.

Mr. Walby commented on the big risk of not ordering enough salt and running out in the winter.

Mr. Haney clarified that the City reserves the salt but is only required to purchase 50% of the purchase order.

Mr. Frederick questioned why the Wayne and Oakland County's salt pricing was less than Macomb County's in the bid documents provided by the Detroit Salt.

Motion by Walby, seconded by McFadyen to award a blanket purchase order to the Detroit Salt Company for 1,378 tons of salt at the unit price of \$48.55 per ton for the 2010-2011 salt season.

Ayes: All – 7

12. CONSENT AGENDA

Motion by Frederick, seconded by Walby to approve the Consent Agenda items a, b, d, e and g, which include the following, and consider items c and f separately:

a. Bills

April 19, 2010 \$2,904,418.41

To approve the release of checks in the amount of \$2,904,418.41, of the report that is 18 pages in length and of the grand total amount of \$2,904,418.41, \$533,545.83 went to other taxing authorities.

b. Fees

Roumell & Lange \$3,402.10
Ihrie & O'Brien \$9,576.00

To approve the above attorney payments to Roumell & Lange and Ihrie & O'Brien subject to audit.

d. Approval of Minutes

To approve the following minutes:

<u>Minutes</u>	<u>Meeting Date</u>
City Council	April 5, 2010

e. Receive & File Boards, Commissions & Committee Minutes

To receive and file the following minutes:

<u>Minutes</u>	<u>Meeting Date</u>
Historical Commission	March 2, 2010
Parks and Recreation Commission	March 11, 2010
Planning Commission	March 23, 2010
Police and Fire Civil Service Commission	October 21, 2009
Water Resources and Advisory Board	January 5, 2010
Zoning Board of Appeals	March 4, 2010

g. To receive and deny the claims of Paul Glover v St. Clair Shores and David Gottage v St. Clair Shores, et al, and refer to legal counsel.

Ayes: All – 7

Separated items c and f:

f. To receive and file proposed FY 2010 – 2011 Budget.

Mr. Walby spoke on the proposed budget which was delivered for the May budget hearings. The proposed budget did not reflect all the directions given at the February 27 workshop. Other Post Employment Benefit contributions appear to be zero, which was discussed to be reduced to a 25% contribution. Police overtime was supposed to be cut by \$600,000. Also, 5% salary concessions are in there but it has not been negotiated with any of our bargaining units. He was concerned if they would be attainable and when. Mr. Walby raised questions about pension costs increasing in the last five years, what they were five years ago, also what each bargaining group received in contract increases over the last five years.

Mr. Rubino spoke on communicating with the employees to make sure we are all on the same page with these proposed cuts.

Mr. Frederick suggested asking the department heads and the employees where they think we can save money and make cuts as they are doing the work and may have great ideas. City Council still makes the decision but staff should be consulted.

12. CONSENT AGENDA cont'd.

Mr. Hughes spoke on the importance of communicating. Budget workshop sessions are May 5 and 6, 2010 to look at every line of the budget with all the departments. He noted the meetings will be open and be deliberative only. Council will vote on the budget first or third meeting in June.

Mr. Rubello inquired how to communicate with the bargaining units and the employees.

Mr. Ihrie stated there is nothing illegal about Council members communicating with the employees. A practical difficulty comes in place when the City negotiates on their contracts and misinterpretations.

c. Progress Payments

Mr. Rubino inquired why the final cost of the Shady Lane watermain project was revised to \$563,101.

Mr. Chown, AEW consultant engineer, stated the project started in 2007 and was completed in 2008. The progress payment is just the final payment to the contractor. The cost came in higher than initially projected, because it was decided to do extra patching, unexpected storm sewer repairs had to be done, and brought a 6" watermain up to standards (8") for a business on Greater Mack.

Mr. Ihrie noted that increases of this size should come back before City Council. Mayor Hison clarified that all progress payments come before Council with additional explanations for each payment.

Mr. Rubello requested AEW to briefly explain such increases in projects in their cover letters to alleviate questions.

Motion by Walby, seconded by Frederick to approve separated consent item f, to receive and file proposed FY 2010 – 2011 Budget and item c, to approve the following progress payments, subject to audit: Macomb Pipeline & Utilities Company (\$12,889.18), C&P Construction Company, Inc. (\$121,895.72), Doetsch Environmental Services (\$30,701.50).

Ayes: All – 7

13. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING

- **PCB's** – Mr. Hughes stated the equipment behind City Hall will be removed this week. They are planning another citizen outreach meeting to update the residents.
- **2010 City Calendar** – Mrs. D'Herde announced the City will not receive a bill for the delivery of the calendars. The budgeted amount will go back into the General Fund.
- **9 Mile Watermain Project** – Mr. Rayes noted the contractor is finishing up with the concrete and driveway approaches; will continue with lawn restoration and the road paving project will follow in June.
- **Department of Public Works** – Mr. Hughes stated Jim Harbison has provided good leadership on an interim basis for the DPW staff who is gearing up for spring. Mr. Smith added the Police Department is finalizing a report which will be forwarded to the prosecutor's office. The documents will be released after their review and decision. The forensic audit has been put on hold and will resume after the prosecutor's decision.
- **Overhead Projector** – Mrs. D'Herde stated the Communication Commission discussed the issue and drafted an amendment to the Operations Policy of SCSTV which is being reviewed by the City Attorney and will be presented before Council on May 3, 2010.

14. COMMENTS BY INDIVIDUAL COUNCILPERSONS

Council Member Rubino asked how the City determines if the rat abatement program is successful. Mr. Rayes responded that the department keeps track and maps all residences. Also, fewer complaints are proof that the program is working.

Mr. Rubino asked for a list of priority streets for the upcoming season. The streets to be paved starting July 1, 2010 are: Englehardt (Sanders to Edgewood); Princeton (Paloma to Ursuline); Frazho (Manhattan to Harper); Meier (Rockwood to Little Mack); Briarcliff (Thorncrest to Tanglewood); Ursuline (Statler to Frazho, CDBG funds); Florence (11 Mile to Stanley, CDBG funds); and Chapoton (Englehardt to Lingemann, CDBG funds).

14. COMMENTS BY INDIVIDUAL COUNCILPERSONS cont'd.

Mr. Rubino received many comments about the new City Manager's salary being higher than Mr. Podolski's. Mr. Smith explained that City Managers' compensation packages are unique when compared to other employment groups; some prefer deferring income in the future. Mr. Podolski's package was heavier on deferred compensation. The total compensation package is approximately \$50,000 less for Mr. Hughes.

Mr. Rubino announced the Pewabic Pottery Tour on April 22, 2010 sponsored by the Cultural Committee and a community forum on Lake St. Clair wind turbines on May 3, 2010.

Council Member Rusie requested an update on the collaborative dispatch services with the surrounding communities. Mayor Hison noted it will be presented on the May 3, 2010 agenda.

Ms. Rusie talked about the All About Animals Rescue organization, www.allaboutanimalsrescue.org, and their vaccine clinic at the Warren DPW building.

Council Member McFadyen passed.

Council Member Walby apologized for his comment during the NSP presentation last week.

Council Member Frederick sent his thoughts and prayers to the family of Angelo Salvaggio whose son was killed in a motorcycle accident.

Mr. Frederick stated the Parade Council is looking for volunteers; their next meeting is April 26, 2010 at Blossom Heath; www.scsparade.com. He announced the Spring Resale event at St. Margaret's of Scotland Church to be held on April 23 – 24, 2010 with proceeds going towards the homeless program.

He announced the opening days for Little League Baseball (May 1) and St. Clair Shores Baseball Association (May 23) at Kyte Monroe.

Council Member Rubello announced the Nautical Mile Open House on April 24, 2010 from 10:00 a.m. to 4:00 p.m. and inquired how complaints are handled for streets that have recently been repaired. Mr. Rayes replied that the department investigates the complaint and then makes a determination.

Mr. Rubello disagreed with over improving the NSP homes.

Mr. Rubello asked for an update on the Shorecrest Lanes. Mr. Rayes responded the property has been cleaned up; the owner was in court today and will submit a plan to the Brownfield Redevelopment Authority.

Mr. Rubello would appreciate to be asked in regards to any future agreements and is open to communicate with all employees. On behalf of the Beautification Commission, Mr. Rubello thanked Bill Nill, of First State Bank, for their tulips donation.

Mayor Hison announced the Lake St. Clair Symphony Orchestra's Spring Concert on May 8, 2010 at 7:30 p.m. at the Lakeview High School.

15. CITY MANAGER'S REPORT

Mr. Hughes announced the budget hearings May 5 and 6, 2010 starting at 6:00 p.m. in Council Chambers. The meetings will be open to the public and will be deliberative in nature to gather information and review the next budget.

The City has received communication of malfunctioning traffic lights. The City will be meeting with the Macomb County Road Commission who maintains the traffic signals. However, residents are encouraged to call the Police Department with any breakdown.

As a result of Mr. Kovalcik's retirement on April 14, 2010, Mr. Hejza is the interim Acting Fire Chief.

16. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)

Bob Nelson, 22107 Shady Lane, Lac Ste. Clair Baseball Association, announced the Little League opening day on May 1, 2010 at 12:00 p.m. Mr. Nelson stated St. Clair Shores will be hosting the girls 9 and 10 State Tournament starting July 30, 2010.

16. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT) cont'd.

Tim Focht, 33525 Jefferson, raised concerns on his garage construction. He was told he needs an elevation survey because of the flood zone.

Mike Roodbeen, 29300 Rosebriar, encouraged City Council to adopt a pit bull ordinance in the City. He has been locked down in the house because of his neighbors' pit bulls being loose and does not want to see any children killed by their attacks.

Mr. Ihrie clarified the City currently has a vicious dog ordinance which is very similar to what other communities have; the ordinance is very strict that dog owners must follow, however, it does not specify a breed. City Council has reviewed the ordinance in the past but did not come forward for any changes.

Charles Hall, 23020 California, questioned why Blossom Heath Park is not opened. He thanked the DPW staff for removing signs on poles and thanked Ms. D'Herde for her responses on Facebook regarding utility cables. Mr. Hall congratulated Mr. Kovalcik on his retirement and thanked him for all his help with the Goodfellows.

Michael Gilmore, DPW employee, expressed his disappointment of Council not seeing the hard work and efforts of the AFSCME group. He was also dissatisfied with the delay of bringing the contract forward and he talked about the contradiction of immediate savings.

Donald Lobsinger, 29600 Taylor, spoke of the Michigan Roundtable for Diversity and Inclusion and their request to have a float in the Memorial Parade. Mr. Lobsinger disagreed allowing them in the parade to honor veterans.

Chris Vitale, 28701 Grant, thanked Ms. Rusie for discussing the Roseville agreement and added there is a lot of waste and fraud done by the non-profit organizations discussed under the proposed CDBG budget.

Sue Jesion, 21308 Raymond, agreed with Mr. Lobsinger's statements.

Norma Rusie, 21036 St. Gertrude, suggested asking Council members directly for specifics about them so residents know the facts.

Steve Lathrop, St. Clair Shores Police Detective, emphasized on the importance of supporting the Turning Point and Care House organizations. He explained they provide valuable resources to the investigation of cases involving abuse and violence towards children.

17. ADJOURNMENT

Motion by McFadyen, seconded by Frederick to adjourn at 11:25 p.m.

Ayes: All – 7

ROBERT A HISON, MAYOR

MARY A. KOTOWSKI, CITY CLERK