

**MINUTES
ST. CLAIR SHORES CITY COUNCIL MEETING
JULY 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, Rubello, Rubino, and Rusie

Absent & Excused: Council Members McFadyen and Walby

Also Present: City Manager Hughes, Assistant City Manager Smith, City Clerk Kotowski, Directors Babcock, D'Herde, Haney, Koto, Rayes and City Attorney Ihrie

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. Ms. Kotowski noted Mrs. McFadyen and Mr. Walby asked to be excused from this meeting.

Motion by Rubino, seconded by Rusie to excuse Council Members McFadyen and Walby from tonight's meeting.

Ayes: All – 5
Absent: McFadyen, Walby

Mayor Hison reminded everyone that even though two Council Members are absent from tonight's meeting, all items still require four votes to pass. He said that any petitioner could ask to postpone their item to a later meeting to be heard before a full Council.

2. PROCLAMATIONS & PRESENTATIONS

Mayor Hison presented Guastello's Village Market the following proclamation:

**PROCLAMATION
to
GUASTELLO'S VILLAGE MARKET
60th ANNIVERSARY**

WHEREAS, the Mayor and Council of the City of St. Clair Shores deem it fitting and proper to publicly recognize and express our pride and appreciation to the **VILLAGE MARKET** on the occasion of celebrating 60 years of business who, from the early days to the present, has served the City well as a thriving part of the business community; and

WHEREAS, the **VILLAGE MARKET** was established by Pete Guastello in July 1950, who at the time, was selling groceries, fruit and veggies out of a truck at the corner of Harper Avenue and Martin Road until he was able to purchase the land; and

WHEREAS, from the beginning, **VILLAGE MARKET** has genuinely cared about its customers and all their needs, featuring fresh meats and seafood, quality produce, full service deli, and Italian bread; and

WHEREAS, the **VILLAGE MARKET** is still family owned and operated by the second generation, Alfred and Lagerta Guastello, who have won the respect and loyalty of many customers with quality merchandise and great clientele service; and

WHEREAS, the **VILLAGE MARKET** is proud to participate and sponsor community events and organizations, such as the Shorewood Kiwanis, St. Clair Shores Fireworks, Memorial Day Parade, Halloween in the Park, Optimist Club and the Harper Avenue Business Association;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of St. Clair Shores, on behalf of all its citizens, extend our congratulations and best wishes to the **Guastello Family** and **VILLAGE MARKET** for their dedication in servicing this community on the occasion of celebrating their 60th Anniversary and wish them many more years of continued success.

Presented this 19th day of July 2010.

2. PROCLAMATIONS & PRESENTATIONS (Cont'd)

Mr. Alfred Guastello thanked the Mayor, Council, and residents for their support. He said that his father, who is now 91 years old, established Village Market in 1950. He said that he and his family are very proud to be a part of St. Clair Shores because St. Clair Shores is a great City.

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

Jim Goodfellow, St. Clair Shores, spoke on agenda items 4, 5, 6, 7d & 7e. Regarding item 4, he asked if the twelve St. Clair Shores dispatchers are the only dispatchers out of three municipalities that are combined police and fire dispatchers. Regarding item 5, he commented that Re-Max Associates should consider putting a sign up like Harbor Master and avoid blocking the line of sight. Regarding item 6, he said to get resident input before making any decisions. Regarding items 7d and 7e, he stated that the amount of money was not mentioned for these houses and he feels that the amount should be stated.

Simon Haddad, Clinton Twp., spoke on agenda item 4. He said that the House passed a Bill recently regarding Public Act and he advises the Mayor and Council to take caution when voting on the Bylaws for the South East Regional Emergency Services Authority because the language is inconsistent. He believes that additional language needs to be inserted.

Dan MacAlpine, St. Clair Shores, spoke on agenda item 4. He said the consolidation hasn't been approved yet and the City of Roseville has already purchased the equipment, which made it seem as if it was a "done deal". He asked if St. Clair Shores would have money returned to them if the agreement isn't approved.

Joseph Backus, St. Clair Shores, spoke on agenda item 5. He said that it was a great idea to put up a mock sign. He thinks that the current size and location of the sign is perfect. He hopes that if Council decides to approve this sign that they would be fair to surrounding businesses for any future situations for a sign request.

Chuck Hall, St. Clair Shores, spoke on agenda item 5. He approves of the signs current location and believes that drivers would have a clear view to check for pedestrians.

4. ADOPTION OF BYLAWS FOR THE SOUTH EAST REGIONAL EMERGENCY SERVICES AUTHORITY OR SERESA FOR THE CONSOLIDATION OF DISPATCH SERVICES

Mr. Hughes said a feasibility study was completed by Plante and Moran and he has met with officials from Eastpointe and Roseville. Five Sub-Committees were created to work on the consolidation of dispatch services. If approved, the dispatch services will consolidate by December 31, 2010.

Mr. Ihrie commented that he sent a letter to Council regarding the South East Regional Emergency Services Authority (SERESA). The Articles of Incorporation to establish SERESA were not drafted by his office, nor would the Authority be represented by his firm. He is of the opinion that a conflict of interest does not exist between St. Clair Shores and Eastpointe (as he represents both Cities as their City Attorney), but nevertheless, to avoid any appearance of impropriety he was advising City Council of such potential conflict of interest and respectfully request the City waive such conflict there by consenting to him and his firm representing the City and advising it on matters pertaining to SERESA. He did not create the Bylaws for the SERESA and only oversaw the documentation.

Motion by Frederick, seconded by Rubino to have Ihrie, O'Brien Attorney and Counselors, (St. Clair Shores City Attorney) to continue representing the City as City Attorney regarding the SERESA, seeing no conflict of interest as they represent one other City in this proposed Authority.

Ayes: All – 5
Absent: McFadyen, Walby

Ms. Christine Andrysiak, Plante & Moran, discussed that with Council's approval and the two other Cities, the operations would start on December 31, 2010 or January 1, 2011.

Mr. Van Essen, is the Silver and Van Essen PC, who has represented many cities of the consolidation of dispatch services. He pointed out that there was an error on page 15. The consolidation will create a separate legal entity by the three municipalities, which would be the shareholders of this entity. Using Act 57 allows the entity the chance legally to consider levying in the future, but only after approval from the shareholders. The entity will be a separate entity and will be approving a budget. However, certain powers are reserved for the shareholders. The placement of a ballot question, the issuance of bonds, and the addition of any participating municipality to the South East Regional Emergency Services Authority must be approved by the shareholders. This entity would not have 312 Arbitration.

4. ADOPTION OF BYLAWS FOR THE SOUTH EAST REGIONAL EMERGENCY SERVICES AUTHORITY OR SERESA FOR THE CONSOLIDATION OF DISPATCH SERVICES (Cont'd)

A five-member board would be created to represent the three municipalities. Each community will not have more than two members on the board as to prevent one community from dominating the board. In the past, this type of organization was held by uniform personnel, which are changing over to civilian dispatch.

Mayor Hison mentioned that the City has twelve civilian dispatchers that will be included in this consolidation.

Mr. Van Essen mentioned that Council was given three separate documents to review. The Articles of Incorporation to Establish a South East Regional Emergency Services Authority will create the entity. Once the entity is created, the Transfer of Operations Agreement between the City of St. Clair Shores and South East Regional Emergency Services Authority is the entity requesting to make an agreement with the City. The Resolution is to approve the Articles of Incorporation to Establish a South East Regional Emergency Services Authority and the Transfer of Operations Agreement between the City of St. Clair Shores and South East Regional Emergency Services Authority.

Mayor Hison stated that many people have been saying that this is a positive change and is occurring across the state. He addressed the individual's concerns about money being spent in advance making it appear that this has already been approved. He stated that it is not approved by the City until it has been voted on.

Ms. Andrysiak commented that she is not sure how much money has been spent to date, but it will only continue with Council's approval. When Plante and Moran completed their initial study, they discovered that grant money could be approved for the equipment.

Mr. Ihrie discussed that the authority will review the level of insurance that is required. He asked Mr. Van Essen that if it is ever determined that these articles in some fashion deviate from Act 57 would it be lawful to add language that Act 57 will take precedent (can a provision be added).

Mr. Van Essen replied that Act 57 allows taxes to be levied. The goal was to give this entity the potential to levy taxes. His legal opinion is that the shareholders can reserve the power to levy taxes to the shareholders.

Ms. Rusie asked why the sentence on page 12 section 5.1 that reads, "However, if such funds are not initially available or as available are recognized as insufficient to finance the SERESA" is an incomplete sentence.

Mr. Van Essen stated that the period after "SERESA" should be removed and the sentence should include the sentence after it to form one complete sentence.

It was discussed that St. Clair Shores has twelve civilian dispatchers, Roseville has two civilian dispatchers and Eastpointe has none. There will be approximately twenty-two dispatchers in this group, but they have to be "civilian" dispatchers. Grant money could be received by creating a "civilian" dispatch group.

Mr. Rubello asked about section 8.4 on page 16 and what would cause a party to withdraw from the agreement.

Mr. Van Essen replied that he could not think of one example of a community that has ever withdrawn from this agreement, so he could not give an example.

Mayor Hison noted that Roseville's dispatchers, who are police officers, would be returned to the field from dispatch, which would allow Roseville to save more money.

It was discussed that the systems are currently being coordinated in order to prevent any problems with the systems. Each municipality will respond to calls that are made in their city. In January 2011, everything will remain the same as it is now.

Mr. Rubino confirmed that we are not changing the way we currently pay for 911 services.

Mr. Van Essen noted that the ambulance response requirement is different. The closest ambulance to the site has to respond, which will make response times quicker. It was clarified that this is the standard operating procedures we currently follow under the mutual aid agreement.

Motion by Rubino, seconded by Frederick to adopt a resolution approving the Articles of Incorporation for the creation of the South East Regional Emergency Services Authority or SERESA and authorize the Mayor and City Clerk to execute the agreement as follows:

4. ADOPTION OF BYLAWS FOR THE SOUTH EAST REGIONAL EMERGENCY SERVICES AUTHORITY OR SERESA FOR THE CONSOLIDATION OF DISPATCH SERVICES (Cont'd)

WHEREAS, the City of St. Clair Shores ("St. Clair Shores") finds that there is a public purpose in pursuing regional consolidation of some municipal services, and that because of technology costs and efficiencies of scale, the answering of E911 calls and dispatching of emergency police, fire and EMS services ("E911 Dispatch") is a municipal service appropriate for regional consolidation;

WHEREAS, St. Clair Shores and the Cities of Roseville and Eastpointe have agreed to consolidate the E911 Dispatch operations within their cities through the formation of a new authority, which will be a separate legal entity called the "South East Regional Emergency Services Authority" ("SERESA") which will handle all E911 call answering and emergency service dispatch activities within the three communities;

WHEREAS, the attached Articles of Incorporation effectively create such an Authority and protect and advance the public interests of St. Clair Shores' residents ("Articles");

WHEREAS, the Articles require that the City Council appoint a representative for St. Clair Shores to the Authority's Administrative Policy Board from senior City management or elected officials;

WHEREAS, the attached Transfer Agreement facilitates the transfer of primary safety answering point and other E911 System property, personnel, equipment, duties and operations from St. Clair Shores to the Authority, subject only to a final calculation of labor obligation costs and funds to be transferred;

NOW, THEREFORE, BE IT RESOLVED that the attached Articles of Incorporation are approved; and the Mayor and City Clerk are authorized and directed to sign the document on St. Clair Shores' behalf;

BE IT FURTHER RESOLVED that the attached Transfer Agreement between the Authority and St. Clair Shores is approved, subject only to a final calculation of labor obligation costs and funds to be transferred and that the Mayor and City Clerk are authorized and directed to sign the document on St. Clair Shores' behalf;

BE IT FURTHER RESOLVED that the City Council appoints Benjamin M. Hughes to a three (3) year term as St. Clair Shores' representative on the Authority's Administrative Policy Board;

BE IT FURTHER RESOLVED this Resolution supersedes, modifies, and where appropriate, replaces, any inconsistent or previous act addressing the same or similar subjects.

Ayes: All – 5
Absent: McFadyen, Walby

5. REQUEST FROM WILLIAM F. BETZ, WILD BILL AND ASSOCIATES, ON BEHALF OF RE-MAX ASSOCIATES, AT 25814 JEFFERSON – TO APPEAL THE DECISION OF SIGN ARBITRATION TO GRANT A VARIANCE FOR A DOUBLE FACE FREESTANDING GROUND SIGN THAT DOES NOT MEET MINIMUM SETBACK AND SECTIONS 4 AND 7 OF THE SIGN ORDINANCE (HEARING ADJOURNED FROM 7/6/10 MEETING)

Mr. Hughes stated that this request from William F. Betz, Wild Bill and Associates, on behalf of Re-Max Associates was denied at the Sign Arbitration Committee on June 24, 2010. Since then there has been discussions on how to modify the sign to make all parties happy. There have been several revisions to the size of the sign and the location on the property for placement.

Mr. Betz explained that the first proposed sign was 8' by 8' and they realized that it was too big. He and Mr. Raffin created a 5' by 10' mock sign to evaluate the size and location. Then they created a 3' by 6' mock sign, which was discovered to be the best size. They also moved the sign north on the property in the right-of way next to the sidewalk, which was the best location.

Mayor Hison mentioned that Council received a number of complaints from residents that were not happy with the size and/or location of the mock sign, but have not received any complaints of the size and/or location of the current mock sign. They also received an informational petition from the Statler residents regarding the earlier sign mock-up.

Mr. Ihrie stated that this information could be submitted for the record as information only.

Mayor Hison asked if there were any options to place the sign parallel to the street.

5. REQUEST FROM WILLIAM F. BETZ, WILD BILL AND ASSOCIATES, ON BEHALF OF RE-MAX ASSOCIATES, AT 25814 JEFFERSON (Cont'd)

Mr. Betz said that placing the sign parallel to the street wouldn't make the sign visible enough for passing traffic.

Mr. Raffin stated that all options were addressed and putting up the 3' by 6' sign was the best option for everyone.

Ms. Rusie asked if Re-Max and Associates would have their address on the sign. She stated that the City would need to acquire an indemnity agreement to address any accidents that may occur due to the sign.

Mr. Rayes replied yes the address would be added to the sign. He informed Council that Re-Max and Associates have conformed to the requests, but it is ultimately Council's decision.

Mayor Hison noted that if the sign needs to be removed for any reason it will be at the cost of the owner.

Mr. Rubino asked if the sign placed in the 25' grassy area to the south of the building would give more visibility. Mr. Raffin replied that it would not be easily visible and increases sidewalk and traffic concerns.

Motion by Rubello, seconded by Rusie to approve a request to grant a variance (denied at Sign Arbitration) for sign (3' X 6' or 18 square feet) at 25814 Jefferson; subject to the petitioner providing a hold harmless agreement for the City and a right-of-way lease agreement.

Ayes: All – 5
Absent: McFadyen, Walby

6. DISCUSSION ON MASONRY WALL BETWEEN RESIDENTIAL AND COMMERCIAL AREAS

Mr. Rayes provided a list of eighteen businesses that are in the process of putting up a wall. There are three businesses that were issued a three-year extension and one business that has been expired for two years. The City reset the clock and will contact the business by letter to let them know what their options are.

Mayor Hison asked what the rules are for new businesses coming into the City.

Mr. Rayes said that the policy has been for the business to put a wall up in eighteen to twenty-four months.

Mr. Rubino asked if new businesses could be excluded in the language.

Mr. Rayes explained that originally the City didn't offer a two-year extension. The City has not made changes to the ordinance language and is only adopting a policy.

Mayor Hison noted that there have been considerations for new businesses coming in, which has been on a case-by-case basis.

Mr. Rubello said he received a phone call last week from a building owner who is currently trying to lease his building and is concerned that the wall requirement could cause him to lose a potential lessee. He said he doesn't agree with the case-by-case basis because the potential tenant could get impatient and chose to rent a building in one of the surrounding cities. He feels that if the fence needs 60% or more repair then it is to be removed and a wall to be put up.

Mr. Frederick stated that he wants some sort of remedy for the residents. He feels that this requirement encourages the businesses to be good neighbors to the residents.

Motion by Rubello, seconded by Rusie to approve an extension to the commercial masonry wall requirement for two (2) years for the 18 businesses on the current listing and allow for new applicants a two (2) year waiver of the wall installation from the date of the application except for new construction the wall shall be installed.

Ayes: All – 5
Absent: McFadyen, Walby

7. BIDS/CONTRACTS/PURCHASE ORDERS

a) Request to award bid for Telephone System and Voicemail Upgrade (bids opened 6/29/10)

Mr. Hughes stated that Mr. Haney put a bid request out and received only one response. The bid came in \$10,000 lower than what was budgeted for.

Mr. Haney explained that the telephone systems of City Hall and the Library are combined. He said recently that the telephone system went out for three days.

Mayor Hison said that ninety-seven companies received the bids though the MITN website, twenty-six companies looked at it, and only one company bid. The one company that bid is our current service provider.

Mr. Haney discussed that there is a savings from what we originally thought it would be because the manufacturer discounted the parts. A huge cost savings was realized by going to the digital system. The system will pay for itself in two years. The call accounting module will cost \$2,590 and is an internal monitoring system. He explained that in 1988, the City did a sealed bid process and went with Toshiba parts as the product could be upgraded in the future if needed. The original supplier went out of business and there are a limited number of Toshiba suppliers that could have bid.

Mr. Frederick asked if the police, fire, and court systems are tied into the system.

Mr. Haney responded that they are not. He said that he would get with the vendor and let Council know the installation timeline.

Motion by Frederick, seconded by Rubino to approve a request to award the bid to CTS Companies at a price of \$20,314.85 plus \$2,590.00 for the call accounting system for a total of \$22,904.85, the low bidder.

Ayes: All – 5
Absent: McFadyen, Walby

b) Request to award bid for the Harper Avenue Water Main Replacement -13 Mile Road to 14 Mile Road (bids opened 5/25/10) (postponed from 6/7/10 meeting)

Mr. Babcock explained that this project was advertised on the MITN website. There were 472 contractors that received the bid information and sixteen that bid the project. The lowest bidder was Bricco Excavating Co., LLC in the amount of \$1,195,716.30. Some of the adjacent communities have used this company, have not had any problems with them, and have been happy with their work. The project is expected to start August and the Community Development Department will send letters out before the project starts.

Ms. Rusie asked how the \$1,195,716.30 bid price compares to the amount budgeted for.

Mr. Babcock responded that it is below budget by around \$100,000.

Motion by Frederick, seconded by Rubello to approve a request to award bid for the Harper Avenue Water Main Replacement – 13 Mile Road to 14 Mile Road, to Bricco Excavating Co., LLC, the low bidder, in the amount of \$1,195,716.30.

Ayes: All – 5
Absent: McFadyen, Walby

c) Request to award proposal for Professional Engineering and Surveying Services (proposals submitted 7/2/10)

Mr. Babcock explained that it was advertised on the MITN website. Seventy firms downloaded it and ten firms submitted a request for qualifications. The committee that consisted of Mr. Rubello, Mr. Hughes, Mr. Rayes, and Mr. Babcock, reviewed the submissions and selected five firms to meet with. Then the committee "short listed" four firms from the list to accept bids. Each company was evaluated on the time it takes to do each type of job. One of these firms has been doing business with the City for sixteen years. With this particular company, the City figured their rates by using the last sixteen year's rates in the formula.

Mr. Babcock stated that Anderson, Eckstein & Westrick, Inc. is being recommended to continue servicing the City for a three year contract with a one to three year renewal option. Anderson, Eckstein & Westrick, Inc. was the lowest bid for fees and hourly rates.

7. c) Request to award proposal for Professional Engineering and Surveying Services (Cont'd)

Mr. Rubello said the committee was fair and thorough in this process. He said Anderson, Eckstein & Westrick, Inc. was competitive and was the better choice. He commended Anderson, Eckstein & Westrick, Inc. for giving us the best deal.

Motion by Rubello, seconded by Rubino to approve a request to award a proposal for professional engineering and surveying services to Anderson, Eckstein & Westrick, Inc., the low bid, the contract to include all the new hourly rates, the new billing procedures for a term of three years, and an extension period option of one to three years.

Ayes: All – 5
Absent: McFadyen, Walby

d1) Request to award contracts for renovations at 20009 Rosedale, through the NSP program (bids opened 6/29/10)

Ms. Koto discussed the proposed changes as follows: To remove non-conforming front wood stair/porch, to replace with 3.5' by 9.5' covered porch, to add 4' by 14' eating area to rear of kitchen (56 total square feet), to renovate kitchen (linoleum floors and laminate countertops), to renovate existing first floor bathroom, to refinish all wood floors (bedrooms on 1st floor, living room), to add second floor bathroom within existing finished second floor bedroom, and to remove basement wall partitions.

Ms. Koto discussed the notes on the existing structure as follows: The existing floor plan lacks dining room or space in kitchen for eating area, there is water damage in living room on wood floor and ceiling, the driveway cracked and heaved, the carport/awning was built without a permit and is unstable and not level, and lead paint remediation is required.

Ms. Koto said that around 43 companies were notified and TJ Associates was the lowest bidder for \$93,600. TJ Associates is a certified lead abatement contractor.

Ms. Rusie asked when the house was moved from the \$1 HUD Homes program to the NSP program. Ms. Koto said it was moved in 2010.

Mr. Rubello said he inspected the house and found that these changes were necessary.

It was discussed that the NSP program was presented to cities across the country in late 2008. The goal is to use the program to fix up homes in order to sell them. The money received from the taxes would increase the City's revenue. This process would also be helping local companies that would be hired for the work that is done on the homes.

Ms. Koto stated that the City had nine NSP homes total, with three homes to award this evening and one more, yet to be awarded for renovations.

It was discussed that "land banks" must be created by Macomb County because it is a countywide program and not city based.

Motion by Rubino, seconded by Rubello to approve a request to award the renovation contract for 20009 Rosedale to TJ Associates, in the amount of \$93,600.

Ayes: All - 4
Absent: McFadyen, Walby
Nays: Rusie

d2) Request to award contracts for renovations at 20613 Sunnyside, through the NSP program (bids opened 6/29/10)

Ms. Koto discussed the proposed changes as follows: To remove the wood paneling on walls in basement, to refinish wood floors in living room and three bedrooms, to patch and repair plaster on walls and ceiling as needed, to renovate existing bathroom, to renovate existing kitchen (laminated countertops and linoleum flooring) to install new windows and exterior doors, to remove unused old chimney, to install a new front porch and overhang, to re-roof, to install new driveway, and to install a new furnace.

7. d2) Request to award contracts for renovations at 20613 Sunnyside, through the NSP program (Cont'd)

Ms. Koto discussed the notes on existing structure as follows: The driveway/patio is cracked, heaved and slopes toward existing foundation and lead paint is present.

Ms. Koto said there was a total of five contractors that bid on this project. This is probably one of the smallest homes in regards to the amount of renovations that are necessary. This home was purchased fully through the NSP program and was purchased in the \$20,000 to \$25,000 dollar range. The lead abatement is included in the bid price.

Mr. Rubello asked why the chimney was being removed.

Ms. Koto explained that the chimney was for the old heating and cooling system and is no longer necessary.

There was discussion that the City has received two changes to bids that were submitted on two homes that were previously bid and both changes were made by Swany Construction.

Motion by Frederick, seconded by Rubino to approve a request to award the renovation contract for 20613 Sunnyside to American Style Homes, in the amount of \$70,010.

Ayes: All – 4
Absent: McFadyen, Walby
Nays: Rusie

d3) Request to award contracts for renovations at 20315 Avalon, through the NSP program (bids opened 6/29/10)

Ms. Koto asked to postpone this item to the first meeting in August for a full Council to review.

Motion by Rubello, seconded by Rusie to POSTPONE to 8/2/10 a request to award the contract for 20315 Avalon to Swany Construction.

Ayes: All – 5
Absent: McFadyen, Walby

- e1) Request to approve the purchase of foreclosed property from Macomb County Treasurer, 28123 Florence
- e2) Request to approve the purchase of foreclosed property from Macomb County Treasurer, 21218 Alexander
- e3) Request to approve the purchase of foreclosed property from Macomb County Treasurer, 24927 Frederick
- e4) Request to approve the purchase of foreclosed property from Macomb County Treasurer, 21831 Nine Mile
- e5) Request to approve the purchase of foreclosed property from Macomb County Treasurer, 21735 Maxine
- e6) Request to approve the purchase of foreclosed property from Macomb County Treasurer, 19514 Ridgemont

Mr. Hughes stated that the Macomb County Treasurer's Office identifies homes in foreclosure in the County and presents each city the opportunity to purchase these homes, before they are offered at the tax sale.

Mr. Ihrie informed Council that the Macomb County Treasurer's policy is an "all or nothing" policy where the City has to agree to purchase all of the homes presented to the City by the County or none at all.

Mr. Rayes explained that these six properties were foreclosed on for taxes. If the City chooses not to purchase them, the County will sell them. The total cost to purchase all six properties will be \$66,277.84. The properties could cost approximately \$58,000 to fix up. The City could possibly make \$190,000 in profit once the properties are sold. The vacant lot will be a loss, but the total portfolio sales will be a gain. Two of the homes will need repairs, one condominium we will need to inspect, and one home will be demolished.

7. e) Request to approve the purchase of foreclosed properties from Macomb County Treasurer (Cont'd)

Mayor Hison stated that the goal is to collect taxes. He asked how the estimated money of \$190,000 would be coming back to the City.

Mr. Rayes said there is no limitation to the requirements that we put on these homes, which is unlike the \$1 HUD homes and NSP homes.

Ms. Rusie commented that she would hold Mr. Rayes to the cost of the improvements. She stated she was more conservative when she estimated the amount the City could get for the properties, but was still able to estimate a profit.

Mr. Rubino said he likes that the term "portfolio" was used to explain the way these properties are tied together. He asked how the Nine Mile property could be sold since it is such a small piece of property.

Mr. Rayes explained that the Nine Mile property could be sold to a small business "as is". Lakeland Banquet Hall could purchase the property to expand their parking. The property could be sold with an easement for Lakeland Banquet Hall to have an easement and parking.

Mr. Rubino recommends holding on to the Nine Mile property until the City finds out what South Lake is doing with Pare School.

Motion by Rubino, seconded by Frederick to purchase the six properties for a total of \$66,277.84, as follows: 28123 Florence, in the amount of \$15,344.54, 21218 Alexander, in the amount of \$11,301.00, 24927 Frederick, in the amount of \$10,007.18, 28131 Nine Mile Road, in the amount of \$14,841.59, 21735 Maxine, in the amount of \$7,517.37, and 19514 Ridgemont, in the amount of \$7,266.16.

Ayes: All – 5
Absent: McFadyen, Walby

f) REQUEST FOR APPROVAL OF A MODIFICATION TO THE COLLECTIVE BARGAINING AGREEMENT WITH THE CITY OF ST. CLAIR SHORES AND THE PROFESSIONAL EMPLOYEES' ASSOCIATION (PEA) UAW LOCAL 412, UNIT 44

Mr. Smith summarized the following changes to the proposed agreement with Professional Employees' Association (PEA) UAW Local 412, Unit 44:

- Effective August 1, 2010 reduce wages of all bargaining unit members by five (5%) percent.
- Eliminates discretion on the issuance of days paid in recognition of work performed outside the regular work day.
- Modify the current language permitting employees to receive payment for not more than a total of ten (10) days of unused sick and/or vacation time during a fiscal year. (Currently employees may request payment for not more than five (5) sick and five (5) vacation days each year. This change would not increase the maximum number of days for which an employee could receive payment.)
- Freeze employee pension contributions at the rate in place as of August 1, 2010.
- Provides one (1) additional "Personal" day to an employee each calendar year.
- These changes are made in addition to the changes to the agreement that were approved in October of 2009. Changes made at that time included the following:
 - 3 year extension through June 30, 2013
 - Imposed a wage freeze for the remainder of the agreement.
 - Increase in Employee contribution to the Defined Benefit pension system by 1% of pensionable wages on July 1, 2010. (Results in an increase in Employee contributions to the pension system of approximately \$15,000 in 2010)
- Eliminated 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 1/1/2010 – Replaced the current Community Blue plan with a Healthy Blue Incentive Plan. (Estimated savings approx. \$47,000 annually).
- 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 as \$3,700 each employee annually).
- Limited health insurance coverage for future retirees to employee and spouse only. (Reduces potential cost to City by as much as \$3,000 each retiree annually).

7. f) **REQUEST FOR APPROVAL OF A MODIFICATION TO THE COLLECTIVE BARGAINING AGREEMENT WITH THE CITY OF ST. CLAIR SHORES AND THE PROFESSIONAL EMPLOYEES' ASSOCIATION (PEA) UAW LOCAL 412, UNIT 44 (Cont'd)**

- Eliminated the longevity benefit for all new hires.

Mr. Rubino asked if, "Freeze employee pension contributions at the rate in place as of August 1, 2010", was supposed to increase.

Mr. Smith stated that it will remain at 6% and will not go up to 7% next year.

Mayor Hison commented that, "Effective August 1, 2010 reduce wages of all bargaining unit members by five (5%) percent", should be effective July 1, 2010 and not August 1, 2010. It should be made retroactive.

Mr. Smith informed Council that a savings has been in effect due to not filling the two vacant positions.

Mr. Rubino asked Mr. Smith if the pension contributions were a part of their contributions last year. Council asked for 5% and now we are not getting a full 5% because we are giving back and the minor things are adding up. He asked if the 1% was already negotiated last year. The goal was to get 5% of their current contract, which did not happen. They are getting a months worth of pay and a personal day. If we grant an extra personal day and that will hinder services and the residents lose in the end.

Mr. Rubello commented that it is difficult to determine if it will be 5% or not. He would prefer to see the amounts stated more clearly.

Mr. Smith said any individual employee will not see a 5% reduction because it will be for 11 months and not 12 months. There would be a 5% reduction, but the 1% saving that was projected would not be saved.

Mr. Frederick stated that the 5% cut is being realized by the whole and recommended approval as presented.

Mr. Rubino stated that Council is not looking to cut 5% from the group, but are looking to cut 5% from each individual employee. He feels that this is fair and he thinks it is important to always be fair. He said that next year the savings would only be at 4%.

Mayor Hison stated that it's important for Council Members Walby and McFadyen to be present to make a final decision on this particular issue.

Motion by Rubino, seconded by Rubello to DENY and send back to administration the request to modify the collective bargaining agreement between the City Of St. Clair Shores and the City of St. Clair Shores Professional Employees Association (PEA) which will expire on June 30, 2013.

A roll call vote was taken.

Ayes: Rubino, Rubello, Rusie, Hison

Nays: Frederick

Absent: McFadyen, Walby

Motion passed.

8. CONSENT AGENDA - All items listed on the consent agenda are considered to be routine and will be enacted by one motion and approved by a vote of City Council. There will be no separate discussion of the items unless the Mayor and or a Council Member so requests, in which event the item will be removed from the general order of business and considered under the last item of the Consent Agenda.

Motion by Frederick, seconded by Rubino to approve the Consent Agenda items a, b, c, d, e and g as presented, and consider item f separately:

a. Bills

July 19, 2010

\$4,986,651.61

To approve the release of checks in the amount of \$4,986,651.61, of the report that is 28 pages in length and of the grand total amount of \$4,986,651.61; \$0 went to other taxing authorities.

8. CONSENT AGENDA (Cont'd)

b. Fees

Roumell & Lange	\$ 5,908.59
Ihrle & O'Brien	\$ 12,922.80

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

c. Progress Payments

Tiseo Brothers Inc.	\$91,333.38
Tiseo Brothers Inc.	\$73,854.66

To approve the above progress payments, subject to audit.

d. Approval of Minutes – None

e. Receive & File Boards, Commissions & Committee Minutes

To receive and file the following minutes:

<u>Minutes</u>	<u>Meeting Date</u>
Election Commission	October 28, 2009
Parks and Recreation Commission	June 10, 2010
Water Resources & Advisory Board	June 1, 2010
Waterfront Environmental Committee	June 15, 2010
Zoning Board of Appeals	June 3, 2010

g. To approve the use of Receiving Boards at all elections held in 2010, with members to be appointed by the City Clerk and approved by the Election Commission prior to each election

Ayes: All – 5
Absent: McFadyen, Walby

Separated item f - 1 and 2

- f. To approve the request to set a Public Hearing on August 16, 2010 for the consideration of the creation of Industrial Development Districts for land situated in the proposed industrial districts as follows:**
- 1. Industrial Drive Park – including both Industrial Drive East and West from the I-94 freeway to South Lake stadium**
 - 2. Stephens Industrial Corridor IDD – all properties on Stephens between Little Mack and Ursuline**

Mr. Rubello feels that this is a positive move for the City to create the Industrial Development Districts.

Mr. Rayes noted this is the same process that was used to create the Fisher Dynamic's district.

Mr. Frederick commented that he is concerned with making Stephens Industrial Corridor IDD because it backs up to a residential zone.

Mayor Hison mentioned that this approval is to set the public hearing.

Motion by Frederick, seconded by Rubello to approve the request to set a Public Hearing on August 16, 2010 for the consideration of the creation of Industrial Development Districts for land situated in the proposed industrial districts as follows:

- 1. Industrial Drive Park – including both Industrial Drive East and West from the I-94 freeway to South Lake stadium**
- 2. Stephens Industrial Corridor IDD – all properties on Stephens between Little Mack and Ursuline**

Ayes: All – 5
Absent: McFadyen, Walby

9. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING

- **PCB's** – Mr. Hughes said that the City has been working with staff and they will be holding two meetings to update the residents. The meetings will be Thursday, August 26, 2010. The first meeting will be at the Library from 1:00 p.m. to 4:00 p.m. The second meeting will be a town hall meeting and the location of the meeting will be finalized in a few days.
- **9 Mile Street construction** – Mr. Rayes said that they are using a machine to remove the layers of cement. He said the paving will start Monday or Tuesday of next week at Jefferson to Harper.

Mayor Hison asked Mr. Rayes about the Gourmet House and why dirt was brought to the site and why it is not covered to prevent the wind from blowing it into the drains.

Mr. Rayes said that the contractor brought dirt to the site in anticipation of removing the building.

- **Department of Public Works** – Mr. Hughes said there were 21 candidates that applied for the position. Four qualified people were interviewed. He has no updates on the investigation that has been ongoing.

Mr. Ihrie said he does not have a specific time period for when he will get a response. They are aware of the necessity to get this issue resolved.

- **Fisher Dynamics IDD** – Mr. Hughes commented that this body approved a tax abatement for Fisher Dynamics. He received a phone call confirming that Fisher Dynamics did receive the seven-year contract with General Motors and approximately 100 people will be hired in phases.
- **State Primary Election** – Ms. Kotowski discussed that absentee ballots have been mailed out. Voters who have not received their ballots can call her office and request an absentee ballot application. They need to fill out and return the absentee application before the ballot could be mailed to them. The absentee ballot application can also be accessed online, printed, and delivered to the Clerk's Office. She announced that the Clerk's Office would be open on Saturday, July 31, 2010 from 8:00 a.m. to 2:00 p.m. for absentee ballots only. On Monday, August 2, 2010, voters could vote absentee ballots at the Clerk's Office up to 4:00 p.m. She reminded everyone that there are sample ballots online and the polls would be open on August 3, 2010 from 7:00 a.m. to 8:00 p.m.

Mayor Hison asked if there were any changes for this Primary Election.

Ms. Kotowski said there are no changes. Every voter was mailed a new voter id card because of the change in County Commissioners, but the voters will vote at the same precinct where they have always voted.

10. COMMENTS BY INDIVIDUAL COUNCILPERSONS

Council Member Frederick made announcements for the Continental Amateur Baseball (CABA) Series and the St. Clair Shores Baseball Association. He reminded everyone about the World War II Enactment Weekend this weekend at Veteran's Memorial Park.

Council Member Rubello reminded everyone that the Nautical Mile Aquafest would be July 29 to July 31. He announced the Our Lady of Hope Men's Club barbecue fundraiser. Twenty-five percent of the proceeds go to help the Men's Club.

Mr. Rubello asked how one would apply for the sidewalk hardship program.

Ms. Koto declared that people could apply to qualify for the Community Development Block Grant Program. She explained that the grant money would be divvied up at the end of the year.

Mr. Rubello asked Mr. Haney to explain the City reserve accounts. He asked what the difference is between the two types of reserves.

Mr. Haney said there is an undesignated fund balance of 14% of expenditures \$5,853,000, which is in the rainy day fund for emergencies. We have a carry over fund balance of approximately \$4,700,000, which is designated to balance the structural deficit that would be spent by 2014, if changes are not made.

Mr. Rubello noted that some residents have been concerned about the insurance for flood zones. He asked how the project for merging our maps is going and if the City is getting the information to the residents.

10. COMMENTS BY INDIVIDUAL COUNCILPERSONS (Cont'd)

Mr. Rayes stated that the actions that are being taking now are based on FEMA taking a lower flood elevation. The City is currently working with Anderson, Eckstein and Westrick Inc. on correcting how the lines fall on the map and will be meeting this week to discuss it further. He said that residents could to go Fema.gov or come to the Community Development Department to have any questions answered.

Mr. Rayes said that homeowners in Michigan are paying more than homeowners in hurricane zones. United States Representative Candice Miller is working on getting FEMA to lower the elevation. He stated that we would not be able to have the Army Corps of Engineers assist us on this matter unless we could get the funding for it.

Mr. Rubello mentioned that residents should go to Brys Park to play disc golf.

Council Member Rubino asked if people were told not to use patio chairs in the dog park at Brys Park. He said that the City should install benches, as there are only a few picnic tables. There is not enough seating and people are paying money to use the dog park, which produces enough money to make the park more functional.

Mr. Rubino mentioned that he has received complaints about a house on Raymond being a halfway house or ¾ house.

Mr. Ihrie visited this house on Raymond and noted that they are in violation of the ordinance as it was discovered that this is a halfway house or ¾ house and the appropriate action will be taken. He spoke with the neighbors when he was in the area. He said it could take anywhere from two weeks to several months to get a response from the homeowner.

Mr. Rubino stated that a resident was concerned that trees on the Nautical Mile were not being replaced.

Mr. Rayes stated that we are looking into getting trees planted this fall.

Council Member Rusie stated that a comment by Mr. Hughes to Mr. Walby regarding the status of the labor unions was incorrect at the last meeting.

Mr. Hughes clarified that at the last meeting Mr. Walby asked which unions had not agreed to a 5% wage concession and he responded POA, COA, PEA and AFSCME. He stated that a meeting was held and efforts were made unsuccessfully, so mediation is probable.

Ms. Rusie commended Ms. D'Herde for Facebook. She requested that first and last names be used.

Mayor Hison stated that information was received from the Macomb County Road Commission. There will be changes to the speed limits on 10 Mile Road and on 12 Mile Road. The speed limit will increase in the City to 40 mph on 10 Mile Road from Hayes to Harper and to 45 mph on 12 Mile road from Dequindre to Harper. This could possibly go into affect the first week in August.

Mayor Hison announced that there would be a Study Session on August 9 at 7:00 p.m. to discuss the St. Clair Shores parade and the St. Clair Shores fireworks.

11. CITY MANAGER'S REPORT

Mr. Hughes announced that Mayor Hison was elected by SEMCOG to a two year term to represent Michigan and Ohio on the National Board of Council Governments.

12. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)

Joe Tomaszewski, St. Clair Shores, stated that he is concerned with the pedestrians that are crossing Jefferson at Masonic to go to Veteran's Memorial Park. He said that traffic seems to have no consideration for pedestrians and he is worried that an accident may occur. He suggested paying the Park Gate Attendant more money to increase his duties to crossing guard.

Steve Lathrop, Grosse Pointe, is the treasurer of the St. Clair Shores Police Officer's Association. He corrected statements that were made at the last Council meeting regarding the status of the Police negotiations. He clarified that it was not the Police Officer's Association who requested the mediator, it was the City. He stated that it was not

12. AUDIENCE PARTICIPATION (Cont'd)

the Police Officer's Association who had stopped negotiations and it was the City who broke off negotiations. He clarified that the cost of the mediator is split between both parties and is not paid for by the City. It was brought up or implied at the last meeting that the Police Officer's Association has not accepted the 5% cut. He said that a 5% cut was negotiated but it was not 5% wage cuts. He explained that the new City Manager's package did not reflect a 5% wage cut as compared to the previous City Manager's pay, but it was excused because the new City Manager's package was calculated to be a 5% cut and he doesn't think that that is fair.

Chuck Hall, St. Clair Shores, informed Council that two weeks ago, he brought up a property where the property owner has not been cooperative. He has since then received information from Mr. Rayes. He requested that each property owner be treated equally. He said that the dirt at construction sites should be covered as to not get into the drains. He agrees that there is a situation with the pedestrian issues by Veteran's Memorial Park and asked if there is a pedestrian button at that intersection. He asked why there wasn't a request for proposals for the work that needs to be completed on the cell tower. He is looking for input from residents regarding Blossom Heath Park.

Mayor Hison confirmed that there is a pedestrian button on the pole at the corner of Jefferson and Masonic.

Leesha Cieslinski, St. Clair Shores, stated that the City should build a BMX/skate park where the kids could go to exercise and to stay out of trouble. The benefits of a BMX/skate park are astounding. She listed the positives of having a skate park, one being low upkeep.

Jack Doerr, St. Clair Shores, encouraged everyone to attend the World War II Enactment Weekend at Veteran's Memorial Park. He will be participating and bringing a piece of equipment to share. He commented on the candidate campaign signs. He noticed that signs were put up more than 30 days before the election. Signs were put up on City property and should be taken down.

13. ADJOURNMENT

Motion by Frederick, seconded by Rubino to adjourn at 11:15 p.m.

Ayes: All – 5
Absent: McFadyen, Walby

ROBERT A HISON, MAYOR

MARY A. KOTOWSKI, CITY CLERK