

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, JANUARY 3, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: James T Downey, Jr, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Janice Winn, City Clerk.

AUDIENCE: There were eight persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

Kindsvater moved, McCartney seconded, CARRIED, to approve Consent Agenda item A., as presented.

A. City Council Minutes of December 20, 2010 Regular Meeting: Approve

ORDINANCES AND RESOLUTIONS – None.

REPORTS FROM ADMINISTRATION

City Superintendent

Fee Schedule Amendment, Water Meter Fee – City Superintendent presented a proposed amendment to the Schedule of Fees and Charges to add a water meter changeover fee at a cost of \$50.00 plus actual time and material. Adoption of a formal policy and consistent charge for the service is necessary as more requests are being received. The charge would apply to homeowners who want to downsize, upsize, or change an otherwise operable meter. No charges would apply when the change is being made because the meter is inoperable or defective. Councilmembers debated the justification for the charges, whether a fixed administrative rate should be charged in addition to actual time and material, and the correlation between this service charge to other water services such as seasonal shut-offs.

Kindsvater moved, LaPorte seconded, CARRIED, to approve the Fee Schedule amendment and adopt a water meter changeover fee of \$50 plus actual time and material as recommended. Ayes: Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: McCartney, Burns.

U S Post Office Closure – City Superintendent reported the proposal to close the St Clair Post Office at 202 Trumbull St and move operations to the distribution center annex on King Rd. Correspondence dated December 22, 2010 from the USPS advised that due to the decline in mail volume, retail window sales, and budget cuts, the facility would no longer be used and the building would be sold. A retail center location will be maintained in another location in the downtown area. City Superintendent discussed shortcomings with the King Rd facility, including parking, accessibility, and walkability limitations. The location of the current building in the core of the downtown and its historic value were also listed as reasons for maintaining the current site. Efforts by the City to stop the closure and sale will continue.

Special Workshop Session on Recreational Services – City Superintendent requested that Council

St Clair City Council Meeting
Monday, November 28, 2011
Council Chambers, Municipal Building

The Meeting was called to order at 6:00 p.m. by Mayor Bill Cedar Jr. at the St Clair Municipal Building, 547 N. Carney Drive, St Clair, MI 48079. The purpose of the meeting was to conduct a budgeting and cost cutting workshop.

Present: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.
Absent: None.
Admin: Scott Adkins, City Superintendent; Mike Booth, Accountant; Janice Winn, City Clerk.
Audience: There were 14 persons in attendance.

Mayor Cedar gave an overview of the purpose of the meeting and offered each councilmember an opportunity to briefly comment on their approach to budgeting and cost cutting measures.

Administration reviewed financial trends in the city's budget due to declining revenues, reduction in property taxable value and tax revenue, \$100,000 subsidy budgeted for General Fund operations taken from fund balance, \$250,000 in unbudgeted expenses for St Clair Highway slope stabilization repairs taken from fund balance, a \$98,000 tax tribunal decision against the city, and unforeseen changes at the state level in revenue sharing payments and health care reform. Council discussed an overall approach to achieving cost savings, highlighting the need to review the budget and make cuts across the board to non-essential items to avoid continued depletion of fund balance. All areas of the budget will be reviewed to determine where cuts can be made and increased revenue sources identified.

Specific departmental budgets and programs were reviewed in detail and preliminary discussion held on ways to address the shortfalls. The potential effects of the changes on city operations were also explored.

- Police Department – Elimination of overtime for special events alone would save \$48,000; \$25,000 of this amount is for payments to communities with reciprocal arrangements that send staff to cover our events. Shifting events from M-29 to secondary roads, avoiding holding events on scheduled holidays, utilizing DPW employees in place of police officers or shifting schedules, and delaying purchases of vehicles or uniforms were suggested as potential cost saving measures. A target number of \$25,000 reduction in expenditures for the department was recommended.
- Health Care Reform – Council elected an 80/20 cost sharing model for employee health care benefit premiums. The sum of the 20% impact results in a current savings of \$20,144 but only affects four non-union employees. If all bargaining units and non-union employees participated, cost savings could be as high as \$143,497 annually. However, the full savings will not be realized until union contracts expire or are reopened.
- Wages – Council discussed imposing a 5% across the board wage decrease and the calculated savings. As with health care, the decrease cannot be imposed where union contracts are in place or for some seasonal employees earning minimum wage. Considering the total payroll, a 5% cut would result in \$107,525 in savings, and a 10% cut would equal \$215,000 in savings.
- Golf Course – The General Fund is subsidizing the golf course for the next five years at \$41,000 annually to meet the deficit reduction plan required by the state. The building debt will be paid off this year. The department has undergone reorganization and duties were realigned as a result of one position being cut from full-time to seasonal (\$27,000 annual savings), and seasonal staffing reduced or combined with parks personnel. Responsibility for day-to-day activities at the golf course clubhouse and the grounds were reviewed. Suggestions made to boost revenues were increasing food service

options, promoting the banquet hall, or raising green fees and seasonal pass rates. Attempts to increase outdoor winter activities at the course were not profitable. Council was cautioned against overpricing the nine-hole course in a competitive market.

- Surplus Properties - Council explored whether any other available surplus property could be sold. Park or cemetery land requires a vote of the people, and any other city property has an easement, right-of-way or utility line encroachment. The boathouse area property, Community Center, and Special Police Hall were also suggested, but not considered for disposal at this time.
- Boat Harbor – The harbor is appealing for a waiver of the state-scheduled dockage fees to increase fees by 5%. Occupancy is often affected by weather and fuel costs. Other revenue sources, such as rental of floating docks for special events will be considered.
- DDA – The DDA revenue for 2012 is \$85,000. Of that amount, \$65,000 is paid to the city and chamber to support operations, leaving \$20,000 for projects. Revenues are also generated from grants and local foundation contributions.
- Recreation – The General Fund is subsidizing recreation \$100,000 annually for all recreation programs, with \$30,000 of that amount alone needed to support the pool. Other than the pool and summer playground, most programs are self-supporting. Suggestions to adjust department operations including reducing the Recreation Director position to part-time, eliminating programs, cutting pool hours, shortening the season or increasing fees were suggested. Residents have expressed their support for keeping the pool open as long as possible until major repairs force a shutdown. The budget has already been reduced by \$5,000 with changes to the facility use agreement with the school district and internal departmental changes. Private sources can also be approached for contributions for specific projects like the skatepark.
- DPW – Staff reductions due to retirement and lay-off next year resulted in savings of \$26,000-\$30,000.

Long-term financial obligations and shortfalls impacting available General Fund fund balance this year were also covered.

- Industrial Park Loan – The industrial park loan payback to the state is \$100,000 per year. A reserve has been set up for the industrial park debt obligation in the General Fund. The Industrial Park Fund itself has a deficit position which is also part of the General Fund reserve.
- Pine Shores Golf Course – There is a deficit elimination plan in place requiring \$41,000 annually from the General Fund for the next five years. The clubhouse construction debt will be paid off this year.
- Tax Tribunal Case – A Michigan Tax Tribunal decision in the Spartech-Polycom case did not go in the city's favor, requiring a \$98,000 reimbursement in tax revenue to the company. This was an unbudgeted expense.
- St Clair Highway Slope Stabilization – The \$250,000 cost to stabilize the Pine River shoreline adjacent to St Clair Highway at Palmer Street was unbudgeted.

Suggested modifications to the budget and guided cost savings in city operations to reduce expenses, ensure a balanced budget, maintain a healthy fund balance reserve in the future, and address long-term financial obligations will be taken under consideration and another budgeting workshop scheduled to review the recommendations.

Adjourned at 7:57 pm.

Janice Winn, City Clerk

Bill Cedar Jr, Mayor

meet one hour prior to the January 17, 2011 regular meeting to discuss options and alternatives for restructuring recreation, harbor and golf services. A proposal to combine services and make departments customer-oriented at a cost savings will be presented.

McCartney moved, Kindsvater seconded, CARRIED, to schedule a special city council work session on Monday, January 17, 2011 at 6:00 pm at the Municipal Building to discuss options for restructuring recreational services.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

Downtown Redevelopment District Sign Incentive Program – A new sign incentive program for businesses in the Downtown Redevelopment District was announced by DDA member Paul Wade and Planning Commission member Donna Cornell. The intent of the program is to encourage uniform placement and design features for business signs to increase the marketability of existing businesses and attract prospective businesses to the community. Each participating business would be entitled to receive 50% of the cost of the sign up to a maximum of \$1,000. A committee comprised of DDA, Planning Commission & administrative representatives will review and evaluate each design to ensure that it meets the criteria of the program and conforms to the city's current sign ordinance guidelines. Financing for the program will be provided by the Community Foundation of St Clair County, who has pledged \$4,000 initially, with hopes of increasing the amount to \$12,000 in the future.

2011 Appointments to Boards and Commissions

Mayor Cedar reported recommendations for appointments to various City authorities, boards, and commissions as follows:

Board of Review - Appoint Barbara Dodea, 815 Cass St, Donald A Diem, 654 N Riverside Ave, Ralph Schmoling, 1011 N Second St, Paul Tinsey, 1411 Oakland Ave, and Julian Sullivan, 229 Benedict St (alternate), for one year terms expiring December 31, 2011.

Building Commission – Reappoint Robert Rood, 4272 Yankee Rd (waive residency), for a three year term expiring December 31, 2013.

Board of Cemetery Trustees - Reappoint Jennifer MacDonald, 716 Clinton Ave, for a three year term expiring December 31, 2013.

Historical Commission - Reappoint June Ingles, 212 S Fifth St, Chuck Homberg, 816 Cass St, Chrissy Gorzen, 615 N Riverside Ave, and Fred Arnold, 1579 Vine St, for three year terms expiring December 31, 2013.

Housing Commission – Reappoint Sally Achatz, 523 N Third St, for a five year term expiring December 31, 2015.

Library Board – Reappoint Harriett Stocki, 113 N Eighth St, and Franklin Moore, 633 E Meldrum Cir, for three year terms expiring December 31, 2013; appoint Jane Krebs, 1461 S Riverside Ave, to complete the balance of a three year term expiring December 31, 2011.

Planning Commission – Reappoint Daniel McCartney, 1913 S Delano St, Donna Cornell, 802 Thornapple St, and Terry Beier, 3897 Riverview Terrace South, East China (waive residency) for three year terms expiring December 31, 2013.

Recreation Commission - Reappoint Karen Foley, 1018 Highland Dr, for a three year term expiring December 31, 2013.

Zoning Board of Appeals – Reappoint JoAnn Westrick, 1210 S Twelfth St, Roy Kolberg, 701 N Riverside Ave, and Jim Bier, 1620 N Delano St, for three year terms expiring December 31, 2013.

LaPorte moved, McCartney seconded, CARRIED, to confirm the Mayoral appointments to authorities, boards, commissions and committees as listed.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Approve Issuance of Special Events Permit for St Clair Art Association Bootleggers Bash

Council received a memorandum from the Police Chief dated December 27, 2010 containing a recommendation for approval of a special events permit for the St Clair Art Association to conduct the Bootleggers Bash in an area of the Riverview Plaza on January 27, 2011 from 6:30 pm - 11:00 pm. All requirements of the Special Events Ordinance have been met and issuance of the permit is recommended.

St Clair Art Association Member Marsha Becka explained that the fundraising event would be held in conjunction with the city's Winter White-Out and would provide food, beverages, games, and entertainment.

McCartney moved, Krebs seconded, CARRIED, to approve issuance of the Bootleggers Bash special events permit as recommended.

CLAIMS AND ACCOUNTS – December 22 & 28, 2010

Check registers listing the bills for the period ending December 22, 2010 (check number 29264 - >29267 (void) and 29268 ->29271), and for the period ending December 28, 2010 (check number 29272 -> 29331) were presented for Council review.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of December 22, and 28, 2010 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Member Burns announced details of a St Clair Lions Club pancake breakfast on Sunday, January 9, 2011.

ADJOURNMENT at 7:35 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, JANUARY 17, 2011 - 6:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

SPECIAL WORKSHOP SESSION ON RESTRUCTURING RECREATIONAL SERVICES

Mayor Cedar convened the Special Workshop Session of the City Council to order in the Council Room of the Municipal Building at 6:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater (6:06 pm), Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: Scott Adkins, City Superintendent, Trice Hawkins, Recreation Director; Janice Winn, City Clerk.

AUDIENCE: There were five persons in attendance.

Restructuring Recreational Services - City Superintendent described the evolution of the Parks and Recreation Department in St Clair starting from a volunteer organization in the 1950's to the multi-faceted active programs and facilities operation that it is today. Currently, there are four separate covered operations— recreation programming, recreation facilities, golf, and harbor, with no connectivity or accountability between them. The goal is to consolidate all operations to provide administrative responsibility over all programs and facilities, budgetary control, cooperative programming efforts, and resource realignment. Implementation of the changes will involve a multiple step process.

An organizational chart was distributed showing a streamlined organization headed up by a Director of Recreational Services, who will supervise the golf course operations manager, harbormaster, aquatics director, TOTS program coordinator, recreational programming staff, and summer youth program staff. All departments would continue to operate their own day-to-day activities. In total, there would be two full-time positions, four half-time plus positions, 36 seasonal positions from April 15 - September 1, and 12 contractual positions. This format gives the ability for better management over personnel, especially golf and harbor operations, and results in cost savings to the city. Other advantages include consistent grants administration, uniform hiring practices, purchasing, budgeting, training, and customer service.

Council discussed at length how the positions would be structured, outlining the individual responsibilities of each position; how operations would be affected both from a financial and personnel standpoint; and how the transition would be implemented. By scaling back the number of employees, restructuring wages, and scheduling changes for seasonal employees, a more consistent unified operation and improved customer service will result.

Programming goals within the department are designed to target better use of facilities, include a new instructional programming element tied directly to the golf course and harbor, and offer regional activities designed to attract both resident and non-resident participation. The goal continues to have programs be self-supporting.

Comments from the audience were received regarding the number of full-time jobs with benefits, and off-season duties for the Park Maintenance Supervisor in building maintenance and beautification. Administration plans to present proposed ordinances implementing the job changes to finalize the restructuring of recreational services in February.

Water Leak Billing Adjustment Appeal – City Superintendent notified Council of a resident appeal of the City's denial of a water billing adjustment. Following review of the details of the repairs and a billing history, it was determined that the cause was a leaky toilet, which is not subject to adjustment under the City's policy. The City Superintendent was directed to explore a possible waiver of part of the sewer portion of the \$1,800 bill, especially since the water was untreated. All other costs associated with the service would apply.

Monthly Meeting Format Proposal – City Superintendent suggested council consider designating the first meeting of each month as a workshop session to discuss items of interest and set a formal meeting agenda, with the second meeting being an action meeting on those items. The benefit of establishing this type of meeting structure was explained.

The meeting was recessed at 6:58pm following the work session and reconvened at 7:00 pm.

REGULAR SESSION

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Krebs, LaPorte, Kindsvater, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Trice Hawkins, Recreation Director; Janice Winn, City Clerk.

AUDIENCE: There were seven persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., B., and C., as presented.

- A. City Council Minutes of January 3, 2011 Regular Meeting: Approve
- B. Downtown Development Authority Minutes of November 18, 2010 Meeting: Receive
- C. Resignation of Suzanne Frantz from Historical Commission: Accept with Regrets

ORDINANCES AND RESOLUTIONS

Resolution No. 11-01 - Approving Lot Combine Request – Christopher/Michelle Green, 112/114 Fred Moore Hwy

RESOLVED, that the lot combine of property described as: Current Parcel A (112 Fred Moore Highway): S 35' of lot 250, Map of St. Clair (74-07-049-0134-000); and Current Parcel B (114 Fred Moore Highway): Lot 251, Map of St. Clair (74-07-049-0135-000) be approved, and is effective with the 2011 Assessment Roll. (See Resolution)

Council received a memorandum from the City Assessor dated January 3, 2011, explaining the request of Christopher/Michelle Green to combine their home at 114 Fred Moore Hwy with the adjoining home and lot at 112 Fred Moore Hwy which was recently sold to them. The home on that lot experienced a fire last year and will be removed. The resulting combine exceeds frontage and lot area coverage for both lots and would be contingent upon all 2010 taxes being paid prior to the combination taking place.

Kindsvater moved, McCartney seconded, CARRIED, to adopt Resolution No. 11-01, the 112/114

Fred Moore Hwy lot combine resolution. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent – None.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

2011 Appointments to Boards and Commissions

Mayor Cedar reported recommendations for appointments to various City authorities, boards, and commissions as follows:

Board of Review - Appoint Judith Shaune, 530 E Meldrum Cir, for a one year term expiring December 31, 2011.

Building Authority – Appoint James Brown, 871 S Twelfth St, for a three year term expiring December 31, 2013.

Board of Cemetery Trustees – Appoint Member Burns council representative for a one year term expiring December 31, 2011.

Downtown Development Authority - Appoint Bryan Neiman, 933 N Riverside Ave, for a three year term expiring December 31, 2013.

Economic Development Corporation – Appoint Mayor Bill Cedar, Jr to complete the balance of a six year term expiring December 31, 2012; and appoint City Superintendent Scott Adkins to complete the balance of a six year term expiring December 31, 2015.

Electrical Board – Appoint D J Boulier, 1110 Oakwood Ln, to complete the balance of a three year term expiring December 31, 2012.

Harbor Commission – Appoint Member McCartney council representative for a one year term expiring December 31, 2011.

Historical Commission – Appoint Member Krebs council representative for a one year term expiring December 31, 2011.

Housing Commission – Reappoint Sally Achatz, 523 N Third St, for a five year term expiring December 31, 2015. Appoint Member LaPorte council liaison for a one year term expiring December 31, 2011.

Library Board – Appoint Member Burns council representative for a one year term expiring December 31, 2011.

Local Development Financing Authority – Reappoint Steve Zimmer, 2175 Vine St (waive residency), for a four year term expiring December 31, 2014. Appoint City Superintendent Scott Adkins for a four year term expiring December 31, 2014.

Pine Shores Golf Commission – Appoint Member Kindsvater council representative for a one year term expiring December 31, 2011.

Planning Commission – Appoint Chad Muldermans, 402 Trumbull St, to complete the balance of a

three year term expiring December 31, 2012; appoint William Darmstaetter, 114 Victoria Ct, to complete the balance of a three year term expiring December 31, 2011; appoint Member LaPorte council representative for a one year term expiring December 31, 2011.

Recreation Commission – Appoint John Fitzmaurice, 931 Thornapple St, to complete the balance of a three year term expiring December 31, 2012.

LaPorte moved, Kindsvater seconded, CARRIED, to confirm the Mayoral appointments to authorities, boards, commissions and committees as listed.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Ratify Collective Bargaining Agreement with Employees Represented by the Police Officers Labor Council

Council received a City Superintendent memorandum dated January 13, 2011 outlining the terms of a collective bargaining agreement negotiated with employees represented by the Police Officers Labor Council. Changes include Article 2. Effective Date, Article 25. Hours of Employment and Call-In, Article 27. Wages, and Article 38. Retirement System. Wage increases of 1% and 1.5% in years three and four of the agreement, respectively, are conditional on accepting new MERS retirement benefit changes for employees hired after November 10, 2010. Health care changes were approved under a previous Letter of Understanding. Administration recommends ratification of the collective bargaining agreement as presented.

LaPorte moved, Kindsvater seconded, CARRIED, to ratify the collective bargaining agreement with Police Department employees represented by the Police Officers Labor Council for the period of October 1, 2010 through September 30, 2014. Ayes: Kindsvater, Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None.

Clinton Avenue Streetscape Project

City Superintendent reported that the City was awarded a \$226,000 MDOT Transportation Enhancement Grant for the Clinton Ave streetscape project between Riverside Ave and Sixth St. The gateway project includes relocation of overhead utility cables, sidewalk replacement, curbing, benches, trees and other plantings, decorative lighting, parking, and signage improvements to improve walkability and meet the requirements of the Americans with Disabilities Act. Since the original project plan was scaled back due to budgetary concerns and some of the secondary parking was eliminated, the only parking changes to be made at this time are four parallel parking spaces in front of LaCroix's Riverside Pub and St Clair Auto Parts, and two handicapped spots at the west end of Rotary Park. Curbing will already be aligned for the balance of the 32 new parking spaces, which will be phased-in as future funding becomes available. After the state grant award was applied, the city was committed to contributing \$240,000 as a local match (\$85,000 dedicated from the Major Street Fund and the balance from the DDA). If approved, the project is expected to start in August and be finished by October, 2011.

In order for the DDA to meet their commitment, administration recommends an inter-fund loan contract between the city and the DDA be secured, structured to provide that the total grant match commitment be covered by the city's Unallocated General Fund fund balance and repaid by the DDA over a five year term with interest. An amortization schedule showing the breakdown of the repayment plan was distributed. City Attorney advised that since the DDA income of \$93,000 annually is captured tax revenue, there is no risk to the city or financial danger associated with issuance of the loan.

Council discussed the DDA's commitments to other projects and their ability to pay off the loan debt; parking changes in the first phase and options to add parking in the future; concerns that the

funding sources tagged for Clinton Ave would prohibit other road resurfacing jobs from being completed; the urgency of the timetable for accepting this grant so engineering work can be completed and the project advanced; and the possible consequences of declining the grant on future grant applications submitted by the city.

McCartney moved, Kindsvater seconded, CARRIED, to approve proceeding with the Clinton Ave streetscape project, including approval of the funding agreement for the MDOT Enhancement Grant, and authorizing the City Attorney to draft an inter-fund loan agreement between the City and the DDA for a match contribution in accordance with established terms. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None.

CLAIMS AND ACCOUNTS – January 6 & 13, 2011

Check registers listing the bills for the period ending January 6, 2011 (check number 29332 - >29368), and for the period ending January 13, 2011 (check number 29369 -> 29417) were presented for Council review.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of January 6, and 13, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, 1374 S Riverside Ave, regarding increases in water utility billing rates and water consumption statistics. A rate increase of 6% was incorporated in the budget effective October 1, 2010, which was less than what was initially recommended by the auditor in a five year rate study plan. Water consumption has fluctuated this year, with total usage down and residential foreclosure rates up. Council will review the rates annually and make adjustments in accordance with the operational costs of providing the service.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Member Foley requested a status report on the proposal to amend the terms of the Act 425 land transfer agreement with St Clair Twp. A meeting is scheduled on January 18, 2011 at 7:00 pm to discuss the latest proposal with Twp officials.

DPW employees were recognized for winter road maintenance services.

Appreciation was extended to city residents for clearing sidewalks of snow and ice.

ADJOURNMENT at 7:46 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, FEBRUARY 7, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Janice Winn, City Clerk.

AUDIENCE: There were 15 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., B., and C., as presented.

- A. City Council Minutes of January 17, 2011 Regular Meeting: Approve
- B. Downtown Development Authority Minutes of December 9, 2010 Meeting: Receive
- C. St Clair Area Fire Authority – December, 2010 Activity Report: Receive

ORDINANCES AND RESOLUTIONS

Ordinance Introduction - Amendment to Code of Ordinances, Chapter 2, Article III, Division 8, Community Center Commission

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO REPEAL CHAPTER 2, ARTICLE III, DIVISION 8, "COMMUNITY CENTER COMMISSION", OF THE CODE OF ORDINANCES FOR THE CITY OF ST. CLAIR

Council received a proposed ordinance to disband the Community Center Commission since it no longer serves an active purpose in administration of the facility. Council also discussed eliminating the Beautification Commission, currently with only three active members, but elected to keep it in place while attempts are made to solicit new members and volunteers.

LaPorte moved, Krebs seconded, CARRIED, to introduce the Chapter 2, Article III, Division 8, Code of Ordinances amendment. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None.

Ordinance Introduction – Amendment to Zoning Ordinance, Article 5, General Provisions, Outdoor Display and Sales

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND THE ZONING ORDINANCE OF THE CITY OF ST CLAIR, ARTICLE 5, GENERAL PROVISIONS, BY THE ADDITION OF A NEW SECTION 5.34 OUTDOOR DISPLAY AND SALES

Council received a proposed ordinance amendment recommended by the Planning Commission and Ordinance Review Committee to regulate seasonal/outdoor display and tent sales of

merchandise in C-2 General Commercial, PR & PF, Parks, Recreation and Public Facilities, and residential zoning districts. Minor changes were made to the text in Sections 5.34.1.B, 5.34.1.D, and 5.34.1.M to correct grammatical errors.

McCartney moved, Kindsvater seconded, CARRIED, to introduce the Article 5, General Provisions, Section 5.34 Outdoor Display and Sales Zoning Ordinance Amendment, as corrected. Ayes: McCartney, Burns, Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: None.

REPORTS FROM ADMINISTRATION

City Superintendent

Ordinance Update – Several ordinance amendments being drafted by the Ordinance Review Committee and Planning Commission are expected to be presented to Council shortly. Most involve text amendments to the Code of Ordinances addressing taxicab, business, and vendor licensing, special events permits, parking in the right-of-way, and blight enforcement. Additional Zoning Ordinance text amendments to change sign regulations in the Downtown Redevelopment District will also be considered.

Economic Development Review – The current services offered by the EDA of St Clair County and potential restructuring of local economic development management will be reviewed at a Special Workshop Session scheduled on February 21, 2011 at 6:30 pm at the Municipal Building.

Elimination of the Cable Television Commission – City Superintendent recommended elimination of the Cable Television Commission since it is no longer operative due to changes to the Metro Act and the existence of a cable television franchise agreement.

LaPorte moved, Kindsvater seconded, CARRIED, to disband the Cable Television Commission of the City of St Clair effective February 7, 2011.

Post Office Update – City Superintendent reported that after many attempts to communicate with the U S Postal Service and subsequent discussions with lawmakers, it is doubtful that the decision to close the St Clair post office on Trumbull St will be reversed. Operations are expected to be shifted and expanded at the King Rd distribution center in China Twp. Assurances that customer service, public access, preservation of the historic building and mural, and designation of a satellite retail location will be maintained will be addressed at a public forum with post office representatives on February 23, 2011 at 7:00 pm at Pine Shores Golf Course.

2011 Fourth of July Fireworks Display Contract & Committee Chair Appointment – City Superintendent reviewed the 2010 fireworks program and asked council how they wanted to proceed this year. The city budgets \$14,000 annually for the display, which can be expanded depending on the amount of donations received. The cost-to-value ratio of the product provided by American Fireworks last year and the term of the contract were discussed and considered in the recommendation.

McCartney moved, Kindsvater seconded, CARRIED, to waive the competitive bid requirement, accept the City Superintendent recommendation, and award the contract for the 2011, 2012, and 2013 Fourth of July fireworks display to American Fireworks in the amount of \$14,000 annually. Ayes: Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney, Cedar. Nays: None.

LaPorte moved, McCartney seconded, CARRIED, to confirm the appointment of Dave Liniarski as chairman of the 2011 Fourth of July Fireworks Committee.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

Mayor Cedar questioned the timetable for review of water rates, including both consumption charges and standard user fees. The basic rate structure is being reviewed by administration now, and reevaluation of the operations portion has been contracted out to The Spicer Group. Any changes will be proposed with the budget for the 2011-2012 fiscal year submitted to Council in May.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Approve Agreement with St Clair County to Conduct School Elections

City Clerk explained the terms of an agreement between the City and the St Clair County Clerk that details the City's responsibilities associated with conducting the East China School District elections as a result of Consolidated Elections legislation effective January 1, 2005. No changes are proposed to the two year renewal agreement for the period of January ,2011 through January, 2013. The school district is responsible for reimbursing the city for any additional costs associated with carrying out the duties. A cost savings proposal shifting regular school elections to November of even years was adopted by the school district last year and implemented for the first time in November 2010.

Krebs moved, McCartney seconded, CARRIED, to approve the agreement with St Clair County to conduct school elections for the period of January, 2011 through January, 2013. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None.

Confirm Appointment to Planning Commission

Mayor Cedar requested confirmation of the appointment of Michael Solomon, 1580 S Delano St, to complete the balance of a three year term on the Planning Commission expiring December 31, 2011.

LaPorte moved, Foley seconded, CARRIED, to confirm the appointment to the Planning Commission as recommended.

Approve Issuance of Special Events Permit for Will on the Water Shakespeare Festival

Council received a memorandum from the City Superintendent dated February 3, 2011, containing a recommendation for approval of a special events permit for Enter Stage Right, Inc to conduct the Will on the Water Shakespeare Festival on August 13-14, 2011 from 11:00 am to 5:00 pm in Palmer Park. A separate Palmer Park lease agreement will be prepared by the city attorney to regulate park use for the two day event. The applicant has complied with the requirements of the Special Events Ordinance and issuance of the permit is recommended.

Representatives of the theatre company responded to Council questions regarding the expected attendance at the event, admission/donation charges, fencing in the park, and the type of entertainment to be provided. A grant award has been received from the Blue Water Arts Council and sponsorships from local businesses will be pursued.

McCartney moved, Krebs seconded, CARRIED, to grant approval of the Enter Stage Right, Inc special events permit request.

Presentation of Proclamation Recognizing St Clair Poet Laureate

Mayor Cedar presented a proclamation recognizing Lynn Alexander as the 2011 Poet Laureate for

the City of St Clair. Ms Alexander read her winning poem written to celebrate the 2nd annual Winter White Out tale, and was congratulated on her designation.

Presentation of Proclamation Recognizing St Clair Bootlegger Balladeers

Mayor Cedar presented proclamations recognizing Mike Mercatante and Jenna Reed as the 2011 Bootlegger Balladeers for the City of St Clair. Mr. Mercatante and Ms. Reed performed their original song written to celebrate the 2nd annual Winter White Out tale, and were congratulated on their designation.

CLAIMS AND ACCOUNTS – January 20 & 27, and February 3, 2011

Check registers listing the bills for the period ending January 20, 2011 (check numbers 29418 - >29465), January 27, 2011 (check numbers 29466 ->29497), and February 3, 2011 (check numbers 29498 ->29523) were presented for Council review.

Council questioned expenditures related to the BWACVB regional marketing campaign and taxpayer refunds due to Board of Review adjustments.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of January 20 and 27, and February 3, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Details of a St Clair Lions Club pancake breakfast on February 13, 2011 were announced.

Appreciation was extended to DPW employees for snow removal efforts during the recent winter storm.

Appreciation was extended to volunteers involved in the success of the 2nd annual Winter White Out special event.

Details of the St Clair High School Theatre Troup presentation of *Pippin* on Feb 10-12, 2011 were announced.

ADJOURNMENT at 7:47 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, FEBRUARY 21, 2011 - 6:30 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

SPECIAL WORKSHOP SESSION ON ECONOMIC DEVELOPMENT MARKETING

Mayor Cedar convened the Special Workshop Session of the City Council to order in the Council Room of the Municipal Building at 6:30 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: Scott Adkins, City Superintendent; Janice Winn, City Clerk.

AUDIENCE: There were 13 in attendance.

City Superintendent provided an informational presentation on the future of economic development in St Clair, analyzing the importance of economic development, sharing of resources, the amount spent locally on economic development, 2010 economic development cost details and 2011 proposed budget, and the related costs associated with employing a full-time economic development/marketing position. He also reviewed the economic development services provided to the city by state, county, regional and local business organizations, assessing the roles, responsibilities and interrelationship of each organization in promoting economic development within the community and their related costs.

The pros and cons of maintaining the current cooperative agreements and economic development strategy vs changing to a new in-house department and position were explored. The city has budgeted \$45,400 for economic development dues and partnerships in 2011. These arrangements provide the city with additional staff engaged in various areas of economic development activities, including retention services, assistance in processing incentive programs, marketing of business opportunities, and coordination of local/downtown projects and events. The financial implications, timeframe for implementation for any proposed changes, and responsibility of overseeing changes were discussed.

Councilmembers questioned the possibility of involvement of adjacent townships in economic development programs and cost sharing with the city; how changes in the EDA/City relationship resulting from restructuring of the EDA organization could impact the city; anticipated state level funding cutbacks and dynamics; the current agreements with the EDA and chamber of commerce and whether the city is getting adequate value for cost; and comparing contractual employment vs direct hire options for a position to increase control over the various activities and functions of economic development.

The Special Workshop Session was closed at 7:01 pm. The meeting recessed and was reconvened at 7:05 pm.

REGULAR SESSION

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:05 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Janice Winn, City Clerk.

AUDIENCE: There were 12 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

- A. City Council Minutes of February 7, 2011 Regular Meeting: Approve
- B. St Clair Area Fire Authority – January, 2011 Activity Report: Receive

PRESENTATIONS

Presentation of Eagle Scout Project Plan – Tom Anderson, Boy Scout Troop 216

Boy Scout Troop 216 member Tom Anderson explained his Eagle Scout project plan to construct a 110' accessible walkway to connect the Veterans memorials to the M-29 sidewalk and existing sidewalk at Palmer Park Manor. The project plans will be coordinated with the DPW and Palmer Park Manor staff, and the city will partner with the Scouts to complete the project along with assisting with business donations and community involvement.

Presentation by Dan Casey, Executive Director, Economic Development Alliance of St Clair County

Dan Casey, the new Executive Director of the Economic Development Alliance of St Clair County, offered a resume for the EDA and information about the future direction of the organization. The strengths and weaknesses of the EDA under its previous administration, as well as strategies and initiatives for future economic development activities were listed. Mr Casey described the role of the EDA in business attraction and how that company drives the process based on their specific needs. He also contrasted the employment services of a local level economic development person to the skill base and attraction component of a regional level alliance. New incentive tools and collaborative funding programs targeted by the state are also a function of the regional component. Mr Casey indicated that focusing on community and county-wide service will be exhibited in the following EDA goals:

- Expanding the business retention program county-wide. The goal is to achieve 120 visits this year.
- Recommitted to funding business development programs for historic preservation, DDA, and Brownfield Redevelopment.
- Focusing the attraction program on strategic industries that meet the area.
- Recreating all marketing materials and creating customized cut sheets that focus on each community.
- Upgrading all technology.
- Identifying land use and future development opportunities and goals for projects to locate on site.

Council explored implementation of the action items contained in the regional Economic Development Strategic Plan and the city's future expectations for the EDA. Coordinated efforts between all parties to promote economic development through a series of tasked-focused activities will be required. Mr Casey was thanked for his presentation.

Video Presentation – St Clair Community Promotion

Council viewed a video presentation produced by the Blue Water Business and Convention Visitors Bureau as part of a regional "Discover the Blue" tourism campaign. The video will be used as a marketing tool across the region and the state on websites and welcome centers. St Clair Chamber of Commerce Director Jodi Skonieczny advised that nine St Clair County communities participated

in the project, and plans are underway to supplement the individual videos with a combined regional video to be produced and distributed.

PowerPoint Presentation of Plan for St Clair Fallen Heroes Memorial

City Superintendent and Police Chief explained a proposal to erect a Fallen Heroes Memorial in Palmer Park Manor adjacent to the Veterans Memorial and Dewayne T Williams Memorial dedicated to those that have given the ultimate sacrifice to serve our community. The memorial will feature a police officer and firefighter with child in statue format placed upon a suitable base. The anticipated cost of \$20,000-\$25,000 will be paid from charitable donations as well as possible grant funding and pledges. A brick paver sidewalk surrounding the memorial will also be constructed through donations. Dedication of the memorial is planned for October 2012.

McCartney moved, Kindsvater seconded, CARRIED, to endorse the St Clair Fallen Heroes Memorial project and direct administration to proceed.

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-01 - Amendment to Code of Ordinances, Chapter 2, Article III, Division 8, Community Center Commission

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO REPEAL CHAPTER 2, ARTICLE III, DIVISION 8, "COMMUNITY CENTER COMMISSION", OF THE CODE OF ORDINANCES FOR THE CITY OF ST. CLAIR

Council received a proposed ordinance introduced at the February 7, 2011 meeting to disband the Community Center Commission since it no longer serves an active purpose in administration of the facility. Adoption of the Ordinance was recommended.

LaPorte moved, Krebs seconded, CARRIED, to adopt the Chapter 2, Article III, Division 8, Code of Ordinances amendment. Ayes: Kindsvater, Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance No. 2011-02 - Amendment to Zoning Ordinance, Article 5, General Provisions, Outdoor Display and Sales

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND THE ZONING ORDINANCE OF THE CITY OF ST CLAIR, ARTICLE 5, GENERAL PROVISIONS, BY THE ADDITION OF A NEW SECTION 5.34 OUTDOOR DISPLAY AND SALES

Council received a proposed ordinance amendment introduced at the February 7, 2011 meeting to regulate seasonal/outdoor display and tent sales of merchandise in C-2 General Commercial, PR & PF, Parks, Recreation and Public Facilities, and residential zoning districts. Adoption of the Ordinance was recommended.

Krebs moved, McCartney seconded, CARRIED, to adopt Ordinance No. 2011-02, the Article 5, General Provisions, Section 5.34 Outdoor Display and Sales Zoning Ordinance Amendment. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None. ORDINANCE ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Monthly Meeting Format Change – Beginning with the March 7, 2011 meeting, the workshop format will be applied for monthly council meetings on a trial basis. The first session will be dedicated to economic development. Any other immediate action items and claims and accounts could also be

included.

City Attorney – None.

City Departments

City Clerk – Availability of Petitions for City Election - City Clerk explained the election process and deadlines for submitting candidate petitions for the offices of mayor and councilmember to be filled at the City General Election on November 8, 2011.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Approve Issuance of Special Events Permit for BWORA Offshore Race Events

Council received a memorandum from the Police Chief dated February 15, 2011 containing a recommendation for approval of a special events permit for the Blue Water Offshore Racing Association to conduct the Blue Water Offshore Race, including offshore power boat races, Riverfest music and entertainment, avenue of vendors, beverage sales, street closures, and related activities from July 25 – August 1, 2011. Issuance of the permit is recommended contingent on receipt of all documents, permits and insurance associated with the events and compliance with the terms of the Special Events Ordinance.

Police Chief Jefferson gave an overview of the events arranged by the Blue Water Offshore Racing Association during the weekend event. City Superintendent recommended that approval be granted contingent on the addition of a carnival pending an approved contract between the CRC & BWORA, and pending approval and execution of the Park Use and Lease Agreement between the City and BWORA, and a kids parade on July 28, 2011 at 6:00 pm. Council questioned whether the citizen concerns regarding the event that were raised last year have been addressed and reviewed the carnival placement, coordination and operation.

LaPorte moved, McCartney seconded, CARRIED, to grant the Blue Water Offshore Racing Association 2011 Offshore Race special events permit request.

Approve Issuance of Special Events Permit for National MS Society Walk

Council received a memorandum from the Police Chief dated February 15, 2011, containing a recommendation for approval of a special events permit for the National MS Society, Michigan Chapter to conduct a Walk MS 2011 event fundraiser on May 14, 2011 from 6:30 am to 2:00 pm along various city streets and in Palmer Park. The applicant has complied with the requirements of the Special Events Ordinance and issuance of the permit is recommended.

LaPorte moved, McCartney seconded, CARRIED, to grant approval of the National MS Society, Michigan Chapter special events permit request.

Approve Issuance of Special Events Permit for Salmon Stakes Fishing Tournament

Police Chief Jefferson explained the request from the Voyageur to host the annual Salmon Stakes Fishing Tournament on April 29 and 30, 2011, and offered a recommendation that the permit be approved.

Kindsvater moved, Burns seconded, CARRIED (LaPorte-abstain), to approve the special events permit for the Salmon Stakes Fishing Tournament.

Request for Temporary Outdoor Service Permit – Voyageur Restaurant

Police Chief Jefferson explained the request for temporary authorization of a liquor license to be used in a temporary outdoor service area adjacent to the Voyageur in conjunction with the Offshore Boat Races on July 29-31, 2011, and offered a recommendation that the permit be approved.

Kindsvater moved, McCartney seconded, CARRIED (LaPorte-abstain), to approve the Voyageur temporary outdoor service permit request.

Award Contract for Replacement of WWTP Pumps

Council received a memorandum from the City Superintendent dated February 17, 2011 recommending that council waive the competitive bid requirement, accept the \$52,956.00 proposal of Kennedy Industries, and award the contract for replacement of three submersible pumps at the Wastewater Treatment Plant. Replacement of the pumps is recommended over retrofitting because of age, cost, warranty, parts availability, and energy savings factors that should prove cost-beneficial to the city in the future. Proposals were sought rather than sealed bids based upon the need to meet with each vendor to customize the proposals. Funding for the project is available from the Sewer Fund balance reserves.

Councilmembers discussed the engineered specifications and performance capabilities of the new pumps, reasons for replacement instead of repair due to age, maintaining the operating system during the replacement of the pumps by staggering installation of the pumps, and the timeframe for the completion of the project.

Bill Klieman, 1374 S Riverside Ave, questioned the location of the company and whether the project cost was all-inclusive of material and installation.

LaPorte moved, Krebs seconded, CARRIED, to accept the City Superintendent recommendation, waive the competitive bid requirement, and accept the \$52,956.00 proposal of Kennedy Industries for replacement of three submersible pumps at the Wastewater Treatment Plant. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None.

CLAIMS AND ACCOUNTS – February 10 & 17, 2011

Check registers listing the bills for the period ending February 10, 2011 (check numbers 29524 - >29571), and February 17, 2011 (check numbers 29572 ->29607) were presented for Council review.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of February 10, and 17, Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

The USPS decision to cancel plans to close the St Clair Post Office on Trumbull St was announced.

Residents were reminded to avoid throwing or pushing snow and ice into city streets.

ADJOURNMENT at 8:15 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, MARCH 7, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: Scott Adkins, City Superintendent, Stephanie Schriener, Harbormaster; Janice Winn, City Clerk.

ALSO PRESENT: Dan Casey & Rene Stephen, EDA; Dan Lockwood, DDA, Jody Skonieczny, St Clair Chamber of Commerce.

AUDIENCE: Nancy Beaudua, Bill Klieman, Jim Bloch.

PLEDGE OF ALLEGIANCE was recited.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

A. City Council Minutes of February 21, 2011 Regular Meeting: Approve

B. Claims and Accounts: February 24, and March 3, 2011: Approve

REQUIRED ACTION ITEMS

Award Contract for Harbor Dredging Project

Council received a memorandum from the City Superintendent dated March 3, 2011 summarizing the Harbor Commission recommendation that the city accept the \$71,868 proposal of Malcolm Marine and award the contract for the 2011 harbor dredging project. Harbormaster Schriener explained that the project involves dredging 1,200 cubic yards of material from the Pine River to correct problems encountered near the fuel dock and south wall of the marina. Reasons for the project are the cost impact of the inability to fuel sailboats and larger power boats that need additional draft, and safety of the harbor staff. The work will be performed in phases, with the first 300 yards at the fuel dock started immediately, and the balance of the project completed in the fall. Disposal of the dredged material will be at an approved site off Dickinson Island. A portion of the project will be reimbursed from a state grant awarded to the city and the balance paid from the Harbor Fund.

Bill Klieman, 1374 S Riverside Ave, questioned advertising and bid opening details for the project. The city chose to advertise on the city's website and followed the state DNR list for qualified bidders. Proposals were opened on February 28, 2011, with only one received.

LaPorte moved, Foley seconded, CARRIED, to accept the City Superintendent recommendation, waive the competitive bid requirement to accept the \$71,868 proposal of Malcolm Marine, Inc, St Clair, and award the contract for the 2011 harbor dredging project. Ayes: McCartney, Burns, Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: None.

WORKSHOP SESSION – ECONOMIC DEVELOPMENT MARKETING

City Superintendent advised that the Strategic Plan for the City of St Clair listss economic growth as

a priority and includes many action items to accomplish the goal. Following the distribution of informational cost items for the city's participation in the EDA of St Clair County, and a DDA/Chamber of Commerce agreement for business support, the city now wants to identify the best course of action and set a path to move forward with the economic development portion of the plan. Economic development partners were introduced, including EDA Executive Director Dan Casey, Business Retention Specialist Rene Stephan, DDA Chairman Dan Lockwood, and St Clair Chamber of Commerce Director Jody Skonieczny.

Financial information was distributed showing the tax generation for the city and resulting job creation and retention for 2006-2011, as well as retention visits made for the City of St Clair by the EDA, the EDA/MEDC business development relationship, and the terms of the DDA/Chamber of Commerce contract for marketing and outreach. The goal is to identify the direction for each agency in the area of budgeting and marketing for economic development, utilizing multiple parties to achieve these goals.

Member Burns questioned tax generation for St Clair and what the numbers represent. City Superintendent explained that many things factor into the total tax generation, including IFT's issued and revoked, changes in value for companies sold, sale of equipment, or depreciation in personal property value. Figures reported for 2011 are only partial calculations of the new tax revenue expected to be generated this year. Member LaPorte questioned whether Cargill Salt would be seeking an IFT for an expansion project to their existing St Clair facility. Ms Stephan explained that the company qualifies for a tax abatement and may pursue that option, or may pursue incentives at the state level, depending on programming changes and availability.

Member LaPorte questioned the anticipated loss of state statutory revenue sharing and how that would offset new IFT's that may be granted. The city is trying to accurately project the amount of income lost from state revenue sharing and seek other funding sources as a substitute. Mr Casey predicted that real property assessments will continue to decline for at least two more years, with a 6% decrease in assessments planned in 2011. The impact of that lost revenue on the city was discussed.

Member Foley questioned the services provided by the EDA other than business retention visits. The role of the EDA in the Dana Corporation restructuring and expansion was reviewed along with its significance for St Clair and the company. Ms Stephan advised that the EDA also helps to identify resources to help the company with the necessary tools needed for workforce training. A second example of Craig Assembly was given showing 50 new jobs created since 2006. Many factors affecting job projections and tax revenue generation result on a project. The City also receives an economic spin-off from business retention and expansion beyond jobs and tax revenue.

City Superintendent listed the areas of economic development and the agencies responsible for each:

- Commercial/Industrial - EDA
- Local Retail/Commercial – DDA/Chamber of Commerce
- Business Planning/Support – EDA, DDA
- Marketing – no comprehensive effort.

The council should focus on the existing gap in marketing businesses outside the DDA district and the need to fine tune the economic development plan to get an all-encompassing working plan that takes into consideration the cost for investment ratio. In order to accomplish this task, Council was asked to consider the following questions: Can the city do more? Should we do more? If so, how to do it in the most cost responsible way?

Member Burns suggested quantifying business expenses to business revenues and targeting these numbers for reference. City Superintendent felt that the city should look at occupancy as well as

income goals and find a mixture of both to drive revenue, look at the limitations and structure of business in the community, and then decide how to gap-fill the DDA/Chamber efforts. The goals and objectives are the same for all, but a determination needs to be made as to the best way to financially achieve those goals, be it with the EDA, DDA, and/or Chamber, and in what combination.

Mayor Cedar felt the focus needs to be directed towards the cost-for-value ratio, industrial park development, and EDA's work on marketing the industrial park. Mr Casey indicated that the EDA spent money on advertising, and also made an out-of-state proposal for a wind energy project last year. This year they intend to reprint all their marketing materials and create community-specific pieces unique to each community in St Clair County with the intent of educating companies who are looking to locate here on the specific sites the city has to offer, increase marketing efforts, and shift focus to new development in cooperation with state programs.

City Superintendent indicated that the biggest dilemma with the industrial park development is the inability of the city to offer tax incentives to a prospective tenant because of uncertainties at the state level, and the current terms of the Act 425 land transfer agreement with St Clair Township. The city can't guarantee payment of the required millage to the township under its current terms, and is at an impasse on amending the agreement to get a payment variation, and the inability to reach a solution causes problems with attracting new tenants to the industrial park.

City Superintendent reviewed the city's expenses for economic development services. The DDA contract with the Chamber costs \$24,000 annually. The EDA contract with the city costs \$15,000 annually now, and is expected to drop to \$12,000 in 2011. The gap that exists in marketing for local retail and commercial for businesses outside the DDA district, and marketing for the small business/entrepreneurial sector in general are areas that need attention. All of the economic development players have a role in this sector but need direction from council to know what each is expected to accomplish. An example of this issue was communicated by Chamber Director Skonieczny involving a recent discussion with a developer about property outside the DDA district and her ability, or lack thereof, to promote available areas for development. Member Krebs questioned the separation of Chamber vs DDA functions and the associated revenue received for business development. The arrangement is confusing when it comes to marketing in all areas of the city for event promotion, tourism information, and coordination of activities.

Mayor Cedar asked Chamber Director Skonieczny to define her responsibilities. She identified her primary employer as the Chamber, and her main function as promoting membership in the Chamber. She is a part-time employee working 24-30 hours per week. The Convention and Visitors Bureau is a clearinghouse for marketing, promoting downtown activities and inquiries for tourism information. The Chamber also contracts with the DDA for marketing programs such as the Come to St Clair program, Whistles on the Water and other DDA programs and special events. It is difficult to juggle duties because not all businesses in St Clair are Chamber members or are located in the DDA district. Member Krebs questioned the percentage of time spent on both Chamber and DDA work and activities. The workload varies depending on the time of year. Member Foley questioned whether the DDA reimbursed her to do work for the Chamber. She indicated that there is a contract in place, but there is overlap in many of the job areas and events. It is a challenge at time to represent all Chamber members, some of whom are not located in the community.

Council explored the direction to take to fill the missing gap in marketing. Mr Casey felt the EDA had the marketing capacity to offer the city, and as it grows programs, is changing to work more closely with all communities to understand their goals and objectives. He asked council for direction on what St Clair needs so they can direct EDA services to accomplish those objectives. Member McCartney emphasized that the city has a defined action plan and needs to move forward, and asked what could be done with the township agreement for the industrial park. City Superintendent indicated that a strategy needs to be identified and pursued. There is a lack of trust on the township's part, and the city needs to be prepared to take the appropriate action when recommendations are received from legal counsel. The city has to look at all options for tax

incentives, but can't give up what we don't have.

Mayor Cedar presented Mr Casey with the scenario of a company who approached the EDA and wanted to locate in the industrial park, and asked how they would be handled under the current agreement terms with the township and also under the proposed amendment. Under the current agreement, the property is owned by the city, and the city would have to pay two mills of the project cost generated by the development to the township. Without the land transfer agreement, the property is owned by the township and their tax structure would apply. Ideally, the city and township will work together on an amendment because Act 425 restricts annexation for the 50 year agreement term. The city needs to know its options for the 114 acre parcel of property before bringing a company to the table.

Member Krebs asked how long the EDA had been working on providing small business services. Ms Stephan indicated that she has worked on entrepreneurial training programs for those needing help starting a business for the past five years. She also worked on business plans and marketing plans for new businesses.

Mr Casey advised that the EDA is ready to commit to developing a comprehensive program for St Clair County communities. The state is creating an economic gardening program that the county needs to embrace at the regional level to coordinate training and share resource information with all parties. The next step is launching a survey to gather information on what is offered by the various agencies, followed by a website with information as well as creation and management of business incubators such as the one established recently in the Port Huron City Hall.

Ms Skonieczny expressed frustration that the EDA small business concierge had not contacted or offered assistance to the St Clair Chamber, and suggested that the focus of the Economic Development Strategic Plan for St Clair County is not designed to address the needs of St Clair or other small downtown areas. Mr Casey assured Ms Skonieczny that the downtown and tourism committee will be refocused and restructured to represent St Clair's downtown goals.

Member McCartney referenced the outline and strategic plan for St Clair and questioned how all entities could be pulled together towards the common goal. Ms Skonieczny suggested a blend of public and private partnerships and a regional approach, such as that offered in Zeeland, MI where they have an individual dedicated to actively recruit businesses to the community. St Clair is now able to fill vacancies in the retail sector, but the industrial park is a challenge because of the difficult economic climate. The city needs to actively recruit and market the community and promote it internally and externally so entrepreneurs take notice.

Mayor Cedar questioned DDA Chairman Lockwood on his role in the economic development process. Mr Lockwood indicated that the DDA's job is to facilitate capital improvements in the DDA district. In 2008, they started investing on promotion so as not to lose business in the community. He stressed the importance of promoting the community to create a destination spot for consumers and bring people to St Clair, and to create a walkable community rich in history and art. What the city is missing is a person to follow up on contacts, recruit needed businesses, and identify business needs. He also felt it was important to reduce the risk for people wanting to come to St Clair to start a new business. The city only has commercial space available, and an abundance of retail space, which is forcing commercial operations into the retail areas. Trends in tourism, shopping, and the need for a thriving downtown area and business recruitment program was discussed. The city now depends on others for support outside of the DDA market and draws from the suburban Detroit community for special events, and must take a look at whether or not that continues to be successful.

Mayor Cedar viewed council's task to be identifying how to spend the money available for economic development and determine what direction to give each organization to follow to achieve common economic development goals and objectives. Member Burns feels the city needs to weigh the

proposals on the basis of what the city expects to recoup in return. Ms Stephan indicated that the St Clair Industrial Park is the largest land with infrastructure available in the county so they are still hopeful that it will be occupied.

The next workshop meeting will be held April 4, 2011. By that time, the goal is to be able to dissect funding amounts, expectations, and how best to spread the dollars around to get the most return for the investment. It is hopeful that the City Superintendent will have direction on the Act 425 land transfer agreement to communicate to council.

As Council deliberates towards the future, Mr Casey announced a combined county development to create regional logistics hubs. The EDA will look at the program to see if St Clair might qualify to participate and will contact the City Superintendent with information. City Superintendent felt there is an untapped promise and appeal on intermodal transportation, and that St Clair has the potential to be a viable connection hub for port, rail, and truck access.

PUBLIC QUESTIONS AND COMMENTS – None.

ACTION ITEMS FOR NEXT AGENDA

Items to be included on the next agenda include ordinance amendments referred from the Planning Commission, and extension of the refuse collection, disposal, recycling and yard waste contract with Waste Management Co. The water and sewer rate study will be reviewed at the budget workshop on April 4, 2011.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Mayor thanked those in attendance for participating in the workshop, especially the representatives from the EDA of St Clair County, DDA, and Chamber of Commerce.

ADJOURNMENT at 8:42 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, MARCH 21, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: James Downey, Jr, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent; Rick Jefferson, Police Chief; Janice Winn, City Clerk.

AUDIENCE: There were 15 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – City Superintendent requested that a Closed Session be added following New Business to discuss pending litigation. There were no objections.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items B., C., D., and E., as presented, and item A., as corrected.

A. City Council Minutes of March 7, 2011 Regular Meeting: Approve

The action item Award Contract for Harbor Dredging Project was corrected by changing the total amount of cubic yards of material to be dredged from 100 to 1,200.

B. Board of Cemetery Trustees Minutes of November 16, 2010 Meeting: Receive

C. Downtown Development Authority Minutes of January 20, 2011 Meeting: Receive

D. Historical Commission Minutes of December 7, 2010 and January 13, 2011 Meetings: Receive

E. St Clair Area Fire Authority – February, 2011 Activity Report: Receive

PRESENTATIONS

Presentation of Service Commendation Award – Corporal Mark Bishop, St Clair Police Dept

Police Chief Jefferson presented Corporal Mark Bishop with a Commendation for Service Above and Beyond the Call of Duty for his lifesaving actions involving a city resident. During the early morning hours of January 24, 2011, Corporal Bishop came to the assistance of resident Wayne Lawson, who was found unconscious outside of his residence in frigid temperatures. Corporal Bishop was recognized for his quick actions leading to Mr Lawson's safety and recovery.

Presentation of Donation Check from St Clair Marbleye Classic Committee

St Clair Marbleye Classic Committee representative Jim Brown presented donation checks to Mayor Cedar totaling \$600 to be applied towards the cost of the annual Fourth of July fireworks display. The money was raised during last year's fishing tournament and this year's Winter White-Out activities. Businesses and volunteers were thanked for their support of the annual fishing tournament, which will next be held May 20-22, 2011.

ORDINANCES AND RESOLUTIONS

Ordinance Introduction - Amendment to Zoning Ordinance to Change the Zoning Classification of Property at 1319, 1327 and 1337 Oakland Ave

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND THE ZONING ORDINANCE, ARTICLE 4, SECTION 4.2, ZONING DISTRICT MAP, TO RECLASSIFY CERTAIN LANDS FROM R-1A SINGLE FAMILY RESIDENTIAL TO R-2 TWO FAMILY RESIDENTIAL DISTRICT

Council received a proposed ordinance to change the zoning classification of property at 1319, 1327 and 1337 Oakland Ave from R-1 Single Family Residential District to R-2 Two Family Residential District. The proposed zoning classification is recommended by the Planning Commission as more appropriate for the properties since two of the three are already being utilized as duplex housing, and the third wishes to operate as a bed and breakfast.

Councilmembers discussed notification to surrounding property owners of the intended change as required by the Zoning Ordinance, and the location of the properties, which are on the St Clair River along the Oakland Ave spur at S Riverside Ave.

LaPorte moved, McCartney seconded, CARRIED, to introduce the 1319, 1327, and 1337 Oakland Ave R-1 Single Family Residential District to R-2 Two Family Residential Zoning District Zoning Ordinance amendment, as presented.

Resolution No. 11-02 - Resolution for Designation of Street Administrator

RESOLVED, that the St. Clair City Council designates Michael Harrington, Director of Public Works, as the single street administrator in all transactions with the State Transportation Department as provided in Section 13 of the Act.

City Superintendent explained that the appointment of a street administrator is a requirement of Act 51 in order to receive state road funding. Mr. Harrington's position of Director of Public Works and his engineering background make him the appropriate person to fill this position.

Kindsvater moved, McCartney, seconded, CARRIED, to adopt Resolution No. 11-02, the Michigan Department of Transportation Street Administrator Designation Resolution. Ayes: Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Governor's Announcement on Local Government Reform – City Superintendent advised that the City has achieved four of the six "best practices" items identified in Governor Snyder's local government reform plan as it relates to State Revenue Sharing allocations. The city continues to work on the remaining items, which are the computer dashboard and release of financial information to residents, and continues its regional cooperation efforts exhibited by the St Clair Area Fire Authority and utility sharing with surrounding townships.

Weekly Letter to Council – City Superintendent highlighted individual items of interest contained in his weekly letter to council.

City Attorney

Attorney Downey updated council on legal proceedings involving a blight complaint for residential property at 1547 Goffe St. The complaint culminated with a dangerous building label as a public nuisance which lead to Circuit Court abatement action. A Consent Judgment was entered putting the property owner on notice that work to correct the violations needs to be done in 90 days or the city will seek an order of demolition.

City Departments

Police Chief Jefferson extended appreciation to members of the St Clair Police Department, the St Clair County Special Response Team, DPW Director Mike Harrington, Fire Chief David Westrick, City Superintendent Scott Adkins, and local residents for their professional role and assistance in handling a recent shooting incident in the Pine St/S Seventh St area of the city.

Authority, Board, Commission, Committee Chairman or Council Representative

Beautification Commission (Member Krebs) – The hanging basket program is in need of donations for 2011. Forms are available at City Hall and various business locations throughout the city.

Downtown Development Authority (Member Burns) – The March meeting of the DDA was rescheduled for April 21, 2011.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Approve Extension of Residential Solid Waste Collection, Disposal, Recycling and Composting Agreement

Council received a proposal to extend the residential solid waste collection, disposal, recycling and composting agreement with Waste Management. The company proposes to extend the contract beginning December 1, 2011 for an additional three-year period with a two-year option to continue the solid waste service program currently in place and provide a modest pricing schedule. The extension also ensures that the City will continue to receive the level of service for trash and recycling provided under the existing contract, improves the yardwaste service (April 1 – Nov 30), and provides uninterrupted continuation of the overall contract. If the city were to bid the contract, it was expected that the cost would be significantly higher than the proposed extension costs. For this reason, it was recommended that a five year extension of the contract be approved.

Councilmembers discussed whether partnering with surrounding townships could further reduce cost and improve service to the City. Waste Management representative Patrick Greve responded that service consolidation in St Clair County is not beneficial because the company must dispose of the waste and pay a disposal fee at the county landfill rather than being able to internalize the volume at their own facilities. Consolidation is also prohibitive because of multiple service providers, and varying levels of service and contract schedules that exist in the townships. The City may be able to negotiate add-ons to the city contract in the future to create an opportunity for cooperative service agreements as allowed by state statute.

The proposed yearly pricing schedule contained in the extension agreement was also reviewed. In year one, the proposed increase represents \$.35/unit/month, or \$4.47/year, which covers the expanded yardwaste collection period. In subsequent years, an incremental increase at or below 3% was applied. Bill Klieman, 1374 S Riverside Ave, questioned the effect of the increase to the customer over the entire five year extension period. The total cost increase over three years is \$8.50; or \$18.00 over five years which would be charged to the users of the system. A fuel

surcharge would also be applied under certain terms and conditions. Mr Klieman also questioned whether residents could independently contract their own rubbish and garbage collection service. The ordinance provides this option to business customers, but not to residential customers.

Krebs moved, LaPorte seconded, CARRIED, to accept the proposal of Waste Management and approve a five year extension of the Residential Solid Waste Collection, Disposal, Recycling and Composting Agreement for the period of December 1, 2011 to November 30, 2014, and authorize the City Superintendent to sign the extension on the City's behalf.

Act 51 Street Classification Change

City Superintendent requested Council approve the reclassification of Third St north of Vine St from a local street to a major street for Act 51 purposes under the MDOT classification ranking. The reason for the request is to place the City in a position to capture additional match funds for future maintenance and repairs. The street meets the basic requirements for reclassification, which is a significant daily traffic count.

Comments on the recommendation were received from Bill Klieman, 1374 S Riverside Ave, who inquired about control over the street if the change were approved and which streets were scheduled for miscellaneous road reconstruction improvements this year; and from Member Burns, who questioned whether priority status would be given to the street for repairs once the reclassification is made. As a Major Street, the City will still retain control, but repairs may be initiated sooner since the street would qualify for additional funding.

LaPorte moved, Kindsvater seconded, CARRIED, to approve the reclassification of Third St north of Vine St as a Major Street under the MDOT classification for Act 51 road funding purposes.

Proclamation Designating Arbor Day

McCartney moved, Kindsvater seconded, CARRIED, to designate April 29, 2011 as Arbor Day in the City of St. Clair.

CLAIMS AND ACCOUNTS – March 10 & 17, 2011

Check registers listing the bills for the period ending March 10, 2011 (check numbers 29684 - >29747), and March 17, 2011 (check numbers 29748 ->29797) were presented for Council review.

Council discussed payments for road salt, the timely receipt of invoices and payment of bills, and equipment repair contractors used by the city.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of March 10, and 17, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, St Clair, questioned companies used by the city to perform work on city vehicles and equipment. City Superintendent indicated that the city uses licensed mechanics through multiple local businesses and car dealerships depending on the specific need. Mr Klieman also questioned whether the city had explored bidding out automotive services, or engaging in a cooperative service arrangement with St Clair County. The advantages of lower cost, quicker turn-around time for repairs, and availability of emergency service make it more cost effective to contract the work.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Mayor Cedar extended appreciation to Jim Brown and the St Clair Marbleye Classic Committee for

their fireworks donation; to Corporal Mark Bishop for his lifesaving achievement; to the Police Department for their professionalism in handling a recent shooting incident; and to Waste Management Representative Patrick Greve for explaining the terms of the solid waste disposal contract extension proposal.

Condolences were extended to the families of Edward Westrick and former city attorney Roy W Rogensues on their recent loss.

Member Foley questioned the status of the realignment of harbor and golf course services. City Superintendent reported that the restructuring of positions is in place, and consolidated hiring practices have begun, all with positive results. A current union issue involving parks maintenance is being addressed.

CLOSED SESSION - Request for Closed Session to Discuss Pending Litigation

LaPorte moved, Krebs seconded, CARRIED, to recess regular session and meet in Closed Session pursuant to Section 8(e) of the Open Meetings Act, to confer with legal counsel regarding pending litigation. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None.

At 7:44 pm, Council recessed in Closed Session and resumed Regular Session at 7:50 pm.

ADJOURNMENT at 7:51 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, APRIL 4, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Pro Tem LaPorte convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Members Burns, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: Mayor Cedar, Member Foley.

ADMINISTRATION: Scott Adkins, City Superintendent, Janice Winn, City Clerk.

AUDIENCE: DDA Chairman Dan Lockwood, St Clair Chamber of Commerce Director Jody Skonieczny, Bill Klieman, Nancy Beaudua, John MacDonald, Bill Westrick.

PLEDGE OF ALLEGIANCE was recited.

Kindsvater moved, Krebs seconded, CARRIED, to record the absences of Mayor Cedar and Member Foley as excused.

CONSENT AGENDA

Kindsvater moved, McCartney seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

A. City Council Minutes of March 21, 2011 Regular Meeting: Approve

B. Claims and Accounts: March 24, and 31, 2011: Approve

The total of Claims and Accounts for the period was questioned by resident Bill Klieman, 1374 S Riverside Ave. The amounts are \$48,227.78 for March 24, and \$69,007.22 for March 31, 2011.

REQUIRED ACTION ITEMS – None.

WORKSHOP SESSION

Discussion of Economic Development Strategy

City Superintendent provided discussion points for approaching St Clair economic development, including an outline of possible options to select from of which direction to take and the funding and timeframe needed for a decision. Possible options considered were:

- Do nothing different than what we are currently doing
- Enhance the DDA/Chamber Agreement to include the City activities as a three-part agreement
- Allow the DDA to employ an economic development staff member and contractually and financially support those efforts
- Hire an economic development staff member directly
- Contract with the EDA for enhanced economic development support

Each option was explored in depth along with its advantages and disadvantages both operationally and financially for all parties involved. The City currently spends a total of \$53,000 for various economic development programs and activities, which includes expenditures for EDA dues and participation (\$15,000 this year; \$11,000 proposed for next year), DDA/Chamber contract (\$24,000), and community promotions for advertising and marketing (\$9,000-\$10,000). Council previously determined the importance of economic development if the city wishes to achieve the goals of maintaining key partnerships essential to overall success and address the goals outlined in several local and regional economic development plans.

After discussion, the City Superintendent was directed to explore enhancement of the

DDA/Chamber Agreement to include the City in a three-way partnership for economic development marketing, including a financial shift of up to \$14,000 in budgeted funds dedicated for community promotion of economic development activities to the shared agreement to achieve the desired goals and objectives for business and industrial development.

An initial meeting to further this option will be scheduled with the Chamber of Commerce Board of Directors to present the proposal and proceed to move forward with this option.

Discussion of Governor Snyder's "Best Practices" & Implications to the City of St Clair

City Superintendent discussed Governor Snyder's "Best Practices" for local government and the implications of the State Revenue Sharing reforms on the City; the status of the City's compliance with the directives; and their effect on the overall City budget. The reform addresses three broad areas of emphasis, and six specific item requirements to engage local communities in cost control measures and cooperative efforts in order to qualify for future revenue sharing payments. Each of the three area's requirements and where the city is in relationship to meeting the criteria were discussed.

Accountability and Transparency: By October 1, 2011, the City must produce a Citizen's Guide to Finances" and a "Dashboard" of performances. These guides will be available on-line, and will be made available to the public for distribution. The finance guide will show all financial information, including unfunded liabilities and the dashboard tool will list performance measures. The City can produce both of these at minimal cost and time.

Plan to Consolidate Services – A plan must be in place by January 1, 2012 and be able to show a good-faith effort to estimate potential savings and share critical services. While the City continues to make offers for shared services to the townships, cooperation is limited by the neighboring communities' willingness to participate on joint services, although legislative changes may increase these opportunities.

Addressing Employee Compensation – New hires will be placed on a defined contribution pension plan, or hybrid retirement plan to cap annual employer contributions. Pension multiplier rates, controls to avoid pension spiking, and health care plan participation percentages are all part of this emphasis.

The City Superintendent was confident that the City could achieve the required results within the recommended time frame. Councilmembers cautioned that the city needs to be careful that the efforts applied to comply with the requirements don't result in expending more than it stands to lose in revenue sharing payments.

The impact of the lost revenue on preparation of the upcoming budget was also explored. Revenue sharing payments have been omitted from budget calculations, although the first round of requested budget expenditures still needs to be trimmed by \$236,000; and taxable value is expected to decrease an estimated 5.5%, further limiting budget revenue sources. Numbers are starting to show more positive direction but it could be several more years before the city is able to turn things around. The May 2, 2011 work session will be a scheduled budget workshop dedicated to review of the proposed budget for the 2011-2012 fiscal year.

Bill Klieman questioned the effect of health care reform on City finances. Health care costs have been reduced through provider changes, but an 18%-20% increase in health care

premiums is expected as the mandates of the federal health care reform are folded into the health care benefit programs.

The water rate operational and rate study will be presented to Council for review at the April 18, 2011 meeting.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman questioned the status of amendments to the Act 425 Land Transfer Agreement with St Clair Township. Cost figures are being prepared for review at the next joint meeting with township officials scheduled for April 19, 2011. The City will continue to move forward with their proposal to change the tax structure payments in the agreement to facilitate occupancy of the industrial park.

ACTION ITEMS FOR NEXT AGENDA

The following action items are scheduled for the April 18, 2011 agenda:

- Presentation of the 2009-2010 annual audit report from Abraham & Gaffney, PC
- Presentation from Spicer Group on the water rate and operation study. Council discussed the system ready-to-serve charge and revenues needed to support system operations
- Adoption of an Ordinance amendment changing the zoning classification of three properties on Oakland Ave, and introduction of Zoning Ordinance text changes referred by the Planning Commission
- Issuance of a special events permit for the St Clair Marbleye fishing tournament
- Update on harbor and golf operational changes

Discussion of Friday Letter Items – City Superintendent highlighted individual items of interest contained in the weekly letter to council, including St Clair Highway issues, Industrial Park prospect and the St Clair Twp Act 425 discussions, and “Best Practices” compliance.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

City Superintendent updated Council on the status of the Fallen Heroes Memorial. The project is still going forward and is in the design and pricing phases for the monument and statue.

City Superintendent discussed a road erosion problem on S Eighth St between Witherell St and Clinton Ave which is diverting storm water and gravel into drains and neighboring driveways. DPW Supervisor/Engineer Mike Harrington will look at options to provide storm drainage to this area since the repair estimates equate to the amount paid for gravel and grading the road each year. If a hard surface road repair is chosen, a rolled edge rather than curb and gutter would be applied.

Council discussed those streets scheduled for consideration in this year’s miscellaneous road reconstruction projects. Sections of Cass St, Oakwood Ln, and Third St will have sectional work if funding is available. Some of the work will be done in-house to save cost.

City officials are communicating with the City of Marysville for possible sharing opportunities between municipalities for road and underground maintenance equipment. Large equipment such as our sewer vacuum truck can be traded on a short-term basis for road equipment for projects.

Comments were received from Bill Klieman suggesting that the city review the qualifications of contractors used for the City’s road reconstruction projects following last year’s problems with surface cracks on S Riverside Ave and Harriet St. City Superintendent advised that the problems were actually with the underlying base and soil conditions and were not attributed to the contractor or road material.

ADJOURNMENT at 8:30 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, APRIL 18, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, LaPorte, McCartney.

ABSENT: Member Krebs.

ADMINISTRATION: James Downey, Jr, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent; Rick Jefferson, Police Chief; Avery Armstrong, Pine Shores Golf Course; Stephanie Schriener, Harbormaster; Mike Booth, Accountant; Janice Winn, City Clerk.

AUDIENCE: There were 12 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

McCartney moved, Kindsvater seconded, CARRIED, to record the absence of Member Krebs as excused.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

- A. City Council Minutes of April 4, 2011 Regular Meeting: Approve
- B. St Clair Area Fire Authority – March, 2011 Activity Report: Receive

PRESENTATIONS

- A. 2009-2010 Annual Audit Presentation – Abraham & Gaffney, PC

Representative Mike Gaffney from the audit firm of Abraham & Gaffney, P.C., presented the Independent Auditors' Report, Basic Financial Statements, Internal Control Letter, and Management Letter for the City of St. Clair for the year ended September 30, 2010. Financial highlights of the audit were reviewed along with an overview of specific areas of the financial statements, the overall financial position of the City's major funds and accounts, net assets, and required internal control limitations and deficiencies. In general, the city received a clean, unqualified opinion, and has a good fund balance given the state of the current economy and the city's size.

Councilmembers discussed with the auditor and administration target numbers and trends revealed in the audit, including the total fund balance of \$3.2 million dollars (\$856,000 undesignated), and an overall excess of \$228,000 in revenues over expenditures. Decreases in revenues (6.7%) due to taxes and lower contributions, and decreases in expenditures (2.2%) due to departmental reductions were noted this year. The exception was an increase in expenses for recreation due to the operation and maintenance of the new skatepark and ballfields. Concerns were mentioned on some of the proprietary funds such as sewer, water, harbor and golf course operations, and the need to monitor these funds. Some progress has been made and deficits will continue to be addressed as discussions begin on the budget for the next fiscal year. Non-major enterprise funds criteria and reporting procedures were also explained by the auditor. The recommended level of

fund balance the City needs to maintain and available uses for those funds, and various factors and changes affecting overall budgeting and accounting practices for city operations were reviewed.

The Report on Internal Control revealed issues with unreserved fund deficits in the Industrial Park Fund and Golf Course Fund, and compliance regulations to address the deficit status of these funds with the State. There were also two expenditure functions in the General Fund with unfavorable budget variances which need to be monitored and the budget amended at year end if necessary.

Items contained in the Management Letter to create sound financial practices were outlined, including revenue receipts procedures to assure proper safeguarding of assets, and review of internal control procedures related to journal entries. While the auditor suggested that processes and policies should be reviewed and changed if necessary to maintain a good, sound system of internal control, he indicated that overall, the city did a good job with controls, accounting systems, and maintaining budget standards.

Council discussed the percentage of undesignated fund balance (22%) in the audit compared to the total budget, current and future trends in budgeting, as well as a history of uses of undesignated fund balance for items such as future industrial park payments, depreciation of harbor grant funds, and repeat recommendations contained in the management letter from previous years.

Comments were received from Bill Klieman, 1374 S Riverside Ave, regarding allocating depreciation expense in the Sewer Fund, and how capital expenses are funded.

The 2009-2010 annual audit report was received and placed on file.

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-03 - Amendment to Zoning Ordinance to Change the Zoning Classification of Property at 1319, 1327 and 1337 Oakland Ave

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND THE ZONING ORDINANCE, ARTICLE 4, SECTION 4.2, ZONING DISTRICT MAP, TO RECLASSIFY CERTAIN LANDS FROM R-1A SINGLE FAMILY RESIDENTIAL TO R-2 TWO FAMILY RESIDENTIAL DISTRICT

Council received a proposed ordinance introduced at the March 21, 2011 meeting to change the zoning classification of property at 1319, 1327 and 1337 Oakland Ave from R-1 Single Family Residential District to R-2 Two Family Residential District. City Superintendent summarized the amendment which was reviewed and recommended by the Planning Commission.

LaPorte moved, McCartney seconded, CARRIED, to adopt Ordinance No. 2011-03, the 1319, 1327, and 1337 Oakland Ave R-1 Single Family Residential District to R-2 Two Family Residential Zoning District Zoning Ordinance amendment, as presented. Ayes: Kindsvater, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance Introduction – Amendment to Code of Ordinances, Repeal of Chapter 38, Article IV, Section 38-91(g), Use of Alcoholic Liquor by Underage Persons

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO REPEAL A CERTAIN SECTION OF CHAPTER 38, ARTICLE IV OF THE CODE OF ORDINANCES FOR THE

CITY OF ST CLAIR CONCERNING THE USE OF ALCOHOLIC LIQUORS BY UNDERAGED PERSONS

Council received a proposed Ordinance amendment to repeal Chapter 38, Article IV, Section 38-

91(g) of the Code of Ordinances outlining the procedure to be followed for the refusal of a minor to submit to a breath test for suspected alcohol use. The Federal Court ruled that the submission or requirement that a minor be subjected to a breath test constituted unlawful search and seizure and declared it unconstitutional. Based on the ruling, the City has not procedurally engaged in the practice of issuing civil infractions for a minor's failure to submit to the test, although the language still appears in the Ordinance. The proposed amendment will bring the City ordinance into compliance with the Federal guidelines.

McCartney moved, LaPorte seconded, CARRIED, to introduce the repeal of the Chapter 38, Article IV, Section 38-91(g) Use of Alcoholic Liquors by Underaged Persons Code of Ordinances amendment. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None.

Ordinance Introduction – Amendment to Zoning Ordinance, Article 8b, Downtown Redevelopment District

Council received a memorandum from the City Superintendent dated April 14, 2011 outlining proposed amendments to Article 8b, Downtown Redevelopment District of the Zoning Ordinance recommended by the Planning Commission and Ordinance Review Committee. A summary of the amendments to Sections 8.27, 8.32.2, 8.32.3, 8.32.4, and 8.32.7 was given by the City Superintendent. Most of the amendments are simple text changes and deal with the classification of private clubs and lodges as a special use in the Downtown Redevelopment District, regulations regarding specific requirements for fuel price sign, electronic message sign, and riverfront sign requirements in the Downtown Redevelopment District, and prohibited signs in the Clinton Ave sub-district dealing with neon closed signs.

McCartney moved, Kindsvater seconded, CARRIED, to introduce the Article 8b, Downtown Redevelopment District Zoning Ordinance Amendments. Ayes: McCartney, Burns, Foley, Kindsvater, LaPorte, Cedar. Nays: None.

Resolution No. 11-03 – Approving Application by the Recreation Commission to the Recreation Passport Grant Program

RESOLVED, that the St Clair City Council hereby supports the efforts of the St Clair Recreation Commission and approves the submission of a formal grant application for funding.

Recreation Director Hawkins requested Council consideration of a proposed Resolution to apply for funding under the Recreation Passport Grant Program for renovation and redevelopment of parks. The grant would be used to resurface the basketball court and in-line hockey court at Greig Park, and to install recycling containers. Of the total \$15,000 proposed project cost, 25% (\$3,750) would be funded by the Recreation Department and 75% (\$11,250) would be paid by the grant. The Recreation Director also advised that cash donations can be included towards the project above and beyond the 25% match money required by the grant application.

Kindsvater moved, Burns seconded, CARRIED, to adopt Resolution No. 11-03, the Recreation Passport Grant Program Application Resolution. Ayes: Burns, Foley, Kindsvater, LaPorte, McCartney, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

City Superintendent reviewed items in the weekly letter to Council, including the problems experienced with earth movement causing road failure on St Clair Hwy. Engineering information on soil borings will be obtained so a course of action can be determined and repairs initiated.

Council scheduled the 2011-2012 budget workshop session, including the review of the water rate study on May 2, 2011 at 6:00 pm at the Municipal Building.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Special Use Approval for 1319 Oakland Ave

Council received the Planning Commission recommendations detailing the request of Andrew and Judy Galante and Jennie Bickley for special use approval to operate a bed and breakfast facility at 1319 Oakland Ave. The request meets the requirements of the Zoning Ordinance and has been reviewed and approved by the Building Official and Planning Commission.

LaPorte moved, McCartney seconded, CARRIED, to grant the 1319 Oakland Ave bed and breakfast special use approval request.

Approve Issuance of Special Events Permit for St Clair Marbleye Classic Fishing Tournament

Council received memorandums from the City Superintendent and Police Chief dated April 13, 2011 containing a recommendation for approval of a special events permit for the St Clair Marbleye Classic Committee to hold the 10th annual St Clair Marbleye Fishing Tournament at Rotary Park and the St Clair Boat Harbor from Friday, May 20, 2011 at 12:00 pm through Sunday, May 22, 2011 at 12:00 pm. The applicant has complied with the necessary requirements of the Special Events Ordinance and issuance of the permit is recommended.

Kindsvater moved, McCartney seconded, CARRIED, to approve the St Clair Marbleye Classic Committee special events permit request.

Approve Issuance of Special Events Permit for St Clair Art Association Annual Art Fair

Council received a memorandum from the Police Chief dated April 14, 2011 containing a recommendation for approval of a special events permit for the St Clair Art Association to conduct the 39th annual art fair in the Riverview Plaza gazebo, courtyard area and Palmer Park on June 25, 2011 from 10:00 am to 7:00 pm and on June 26, 2010 from 10:00 am to 5:00 pm. The applicant has complied with necessary requirements of the Special Events Ordinance and issuance of the permit is recommended.

Kindsvater moved, McCartney seconded, CARRIED, to grant the St Clair Art Association special events permit request.

Confirm Appointment to Historical Commission

Mayor Cedar requested confirmation of the appointment of Kim Huxhold, 698 E Snowbird Circle, to complete the balance of a three year term on the Historical Commission expiring December 31, 2012.

LaPorte moved, Foley seconded, CARRIED, to confirm the Mayoral appointment to the Historical Commission as recommended.

Approve Purchase of Fairway Mower – Pine Shores Golf Course

Council received the City Superintendent recommendation to accept the \$27,972.00 quote of Jacobson Company obtained through the State purchase program and authorize the purchase of a new LF3800 4WD fairway mower for Pine Shores Golf Course. Six bids were received for the equipment ranging from \$24,900 to \$41,460.65. The current mower has deteriorated to the point that \$2,500-\$3,500 is required for yearly maintenance, and it no longer meets the demands of daily use at the golf course. The intent is to purchase the mower through the Equipment Pool using a five year annual reimbursement schedule for repayment from the golf course.

The ability of the golf course to afford the purchase given their current deficit financial condition was discussed. City Superintendent outlined progress made towards cutting expenses and increasing revenues at the golf course and communicated how these steps coincide with the overall restructuring of recreation services.

Resident Bill Klieman questioned the source of the supplier and maintenance and warranty information for the new mower, and use options for the old mower. The old mower may be able to be used in other park areas which don't require the same precision cutting standards as the golf course.

Kindsvater moved, LaPorte seconded, CARRIED, to accept the \$26,972.00 bid of Jacobsen Company through the State purchase program and approve the purchase of a Jacobsen fairway mower for Pine Shores Golf Course as recommended. Ayes: Foley, Kindsvater, LaPorte, Burns, Cedar. Nays: McCartney.

CLAIMS AND ACCOUNTS – April 7 & 14, 2011

Check registers listing the bills for the period ending April 7, 2011 (check numbers 29861 ->29907), and April 14, 2011 (check numbers 29908 ->29952) were presented for Council review.

Council discussed specific payments for a bee-hive grate for the Sewer Plant, and suggestions for consolidation of printing services into a single source supplier.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of April 7, and 14, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Resident Matt Kehoe addressed Council to request the placement of a memorial bench in Greig Park for Marcellous Redmond, and the renaming of the basketball court in his honor. Council discussed the city's policy not to allow memorial benches in public parks and concerns over setting precedent, possible injury, and vandalism. City Superintendent expressed a willingness to work with the family to determine a suitable alternative location for the bench, possibly along the bikepath near the park, and expressed the desire that any family considering a memorial project contact the city prior to proceeding since there are programs in place to assure that consistent guidelines are followed.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Details of the Riverview Community Federal Credit Union open house held April 15, 2011 at their new location at 1935 Fred Moore Hwy were announced.

The St Clair Little League opening day ceremonies will be held on April 30, 2011 beginning with a parade to Klecha Park.

Details of the Salmon Stakes Fishing Tournament to be held on April 30, 2011 were announced.

CLOSED SESSION – Request for Closed Session to Discuss City Superintendent Performance Evaluation at the Request of the City Superintendent

LaPorte moved, Kindsvater seconded, CARRIED, to recess regular session and meet in Closed Session pursuant to Section 8(a) of the Open Meetings Act to discuss the City Superintendent performance evaluation at the request of the City Superintendent. Ayes: Kindsvater, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None.

At 8:15 pm, Council recessed into Closed Session and resumed regular Session at 9:04 pm.

ADJOURNMENT at 9:05 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, MAY 2, 2011 – 6:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 6:03 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte.

ABSENT: Member McCartney.

ADMINISTRATION: Scott Adkins, City Superintendent, Mike Booth, Accountant; Janice Winn, City Clerk.

ALSO PRESENT: Jean M. Inman, Spicer Group.

AUDIENCE: There were 5 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

Kindsvater moved, Krebs seconded, CARRIED, to record the absence of Member McCartney as excused.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

A. City Council Minutes of April 18, 2011 Regular Meeting: Approve

B. Claims and Accounts: April 21 & 28, 2011: Approve

REQUIRED ACTION ITEMS – None.

WORKSHOP SESSION

City of St Clair Water Rate Study

Jean Inman, Spicer Group, presented the City of St Clair Water Rate Study, outlining the background, methodology, and goals to address cash shortfalls and build and maintain a cash balance in the water fund over the course of the next 10 years. The 2010 audit showed a balance of \$2,450 in cash in the Water Fund with a \$24,000 subsidy from the General Fund for operations. If a rate increase is not implemented, the city will deplete the cash in the Water Fund this year. A cash balance equal to six months of operating expenses, or \$500,000 is desired.

Six different rate increase options were presented, a comparison graph of the results of selecting each option on the growth of the cash balance was reviewed, and sample rate impacts to the residential customer of each option explained. A community comparison of rates and a typical quarterly bill for both the city and township contractual users were illustrated.

The Water Study contained the following recommendations:

- Increase water rates to cover expenses – Option B provides a 7.5% increase to all rates for 4 years followed by 2% annual increases. Other options can be considered depending on how quickly you want to get there and much of an initial increase you want to impose.
- Six months of cash balance (\$500,000)
- Implement repair, replacement and capital improvement plans. There are many water main problems that have not been addressed because of the lack of money. The goal is to budget \$260,000 per year towards improvements to replace broken hydrants and valves,

- and repair deficiencies.
- Re-evaluate the water system connection, meter fees and other fees.
- Ready to serve charges for meters up to 1" billed at the same rate.
- Cross connection inspection fees should be changed from a commodity based fee of 5.5 cents per 1000 gallons to a fixed fee of \$14.45/quarter per unit
- Water ordinance updates, including seasonal turn-on/turn-off charges and others to match billing practices
- Review billing for irrigation meters
- Evaluate water tower. Improving storage capacity could minimize personnel hours needed at the plant for operations
- Evaluate the water usage at the wastewater treatment plant
- The City should re-evaluate their financial status, capital improvements plan, replacement plan and water rates in 2016.

The various recommendations resulting from the study dealing with financial, operational, and maintenance components of the water supply system were discussed by councilmembers and administration in detail. Council also discussed the terms of the water supply agreement with St Clair Township and the implications of any rate increases imposed on township users of the system. Calculation of St Clair Township user rates and the components covered in the rate formula were explained. The current city water rate is \$1.93/1,000 gallons and the township rate is \$4.02, which is adjusted annually following the review of the city's audited financial statements. Township rates are based on expenses, debt, and depreciation of the system. Council felt that the township rate should proportionately reflect all costs of water production and operations.

Attention to labor costs as a means to reduce overall expenses was mentioned by council as an alternative to a rate adjustment. However, there are no indications that this will have any positive effect on reducing expenses because the majority of these costs are fixed and have no bearing on commodity rates.

Comments from the audience were received from Bill Klieman, who questioned the baseline used for rate calculations and basis for projections, ready-to-serve charges in other communities, and the amount of annual rate increases over the past few years totaling 38%; and from Rick Jefferson, 205 Benedict St, regarding the need to raise rates although the decision may be unpopular.

Council will need to decide whether to incorporate a rate increase option in the proposed budget for the upcoming fiscal year beginning October 1, 2011, and in doing so, the extent of that adjustment. Councilmembers expressed concern about raising water rates for city residents in light of the economy and other utility costs which continue to rise for homeowners, and indicated the need to review fees for adequacy from time to time to maintain a fair and equitable rate structure.

The meeting was recessed at 7:30 following the presentation and reconvened at 7:38 pm.

FY 2011-2012 Budget Workshop

City Superintendent Adkins and Accountant Booth presented the proposed FY 2011-2012 budget to Council in accordance with City Charter requirements. Historical taxable value and millage rate history, General Fund changes in revenue and expenditures, significant changes in other funds, and budgetary impacts per department were reviewed. The budget proposes a 16.979 total millage rate, and 13.058 general operating millage rate which is unchanged from last year. Revenue is down \$131,500 this year, and down \$635,000 overall since 2007-08, due to decreases in property taxes, penalty, and administration fees. Expenses are down proportionately to revenues, represented in public works, operating transfers, and planning operations.

Budgetary impacts by department were listed to address the shortfalls affecting personnel in General Administration, Recreation, Police, Public Works, Recreation Maintenance, Harbor, and

Golf Course. These changes include either elimination of positions, reductions in personnel work hours and wages, or restructuring and reorganization of staff, as well as changes to health and pension contributions for new hires and retirees, review of programming and other operational changes, shared services with neighboring communities, and program changes to increase revenue. Potential future steps may involve combination of positions, new salary structure for future hires, implementation of new health care and pension employee contribution programs, cap on annual leave bank accrual and pay-outs, consideration of contractual services, consideration on millage requests to support recreation and street improvements, consideration on shared services and positions with neighboring communities, and revisiting health care coverage, co-pays, and providers. Administration is attempting to look at everything with the goal of eliminate expenses that will not have a major impact on operations or affect the quality of life for residents, while funding to align with priorities identified in the Strategic Plan.

Council reviewed various line items in the budget dealing with the DDA plan and expenditures and the council authority over their budget; recreation and recreation maintenance, including pool operations and programs, subsidies, and tying out total revenue for recreation to individual programs to see what is profitable; economic development, EDA, Chamber, and community promotions funding; golf course operations; local street fund; and engineering cost savings. Administration noted that if council desires to continue to fund street repairs, the city will either need to ask for millage, issue bonds, make other cuts from the General Fund, or use unallocated fund balance.

Council discussed pay cuts and concessions for employees, including both union and non-union groups. Strategy in union contract negotiations entered into later this year with the DPW and the terms of the contract recently negotiated with the police union were mentioned, as well as wages and fringe benefits for non-union employees.

City Superintendent asked councilmembers to review the proposed budget and submit any ideas or additional budget adjustments to him prior to the public hearing.

A public hearing on the proposed FY 2011-2012 budget will be held on May 16, 2011 at 7:00 pm at the Municipal Building.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, regarding whether council intended to continue the monthly council workshop meeting format after the initial three month trial period. A decision will be made prior to the June meeting.

ACTION ITEMS FOR NEXT AGENDA - City Superintendent listed proposed items to be included on the May 16, 2011 meeting agenda, including the public hearing on the FY 2011-2012 budget and millage rate; adoption of an ordinance amendment repealing certain provisions of the ordinances governing use of alcoholic liquor by underage persons; adoption of an ordinance amendment to the Zoning Ordinance, Downtown Redevelopment District; Resolutions committing funds to the Clinton Ave streetscape project, and urging modification of the current tax structure for long-term stability of local governments; and approval of the St Clair County Parks and Recreation Commission 2011 local millage distribution of funds.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Member Foley questioned the St Clair Highway road closure and whether a brine line leak could be contributing to the problem. It appears that earth movement migrating over a number of years is the source of the problem, and water trapped below the street drain area froze, thawed and finally gave out. An insurance claim will be filed. There is no indication that damage is attributed to water or sewer line repairs or recent road reconstruction.

Bill Klieman questioned the status of the St Clair Boat Harbor dredging project and disposition of

the removed material. The material will be dried and may be used rather than disposed of, or disposed at the county landfill. A credit was issued to the City by Malcolm Marine because the material was not taken to Dickinson Island for disposal as originally planned.

ADJOURNMENT at 8:53 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, MAY 16, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Mike Booth, Accountant; Mike Harrington, DPW & Engineering; Stephanie Schriener, Harbormaster; Janice Winn, City Clerk.

AUDIENCE: There were 24 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS

Mayor Cedar requested that the request from St Clair High School NHS for a special events permit to conduct the Battle of the Bands be deleted as an item of New Business. There were no objections.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., B., C., D., and E., as presented.

- A. City Council Minutes of May 2, 2011 Regular Meeting: Approve
- B. Board of Cemetery Trustees Minutes of March 15, 2011 Meeting: Receive
- C. Historical Commission Minutes of February 10, and March 10, 2011 Meetings: Receive
- D. Library Board Minutes of February 8, 2011 Meeting: Receive
- E. City Clerk/Election Commission – 2011 City Election: Receive

PUBLIC HEARINGS

Hearing on 2011-2012 Annual Budget and Millage Rate

Mayor Cedar opened the public hearing at 7:03 pm to receive public comment on the proposed 2011-2012 fiscal year budget and millage rate. The budget proposal contains total revenues of \$9,597,746 and expenditures of \$9,926,243 and incorporates a total local operating millage of 13.0581. The total millage requirement including bond debt retirement and employee pension is 16.9787, which has remained stable for the past six years. Under the City Charter, Council must adopt the budget by June 15 each year.

A presentation by Accountant Booth showed a perspective of 2003-2011 historical taxable value with a 5.3% decline expected in 2011-2012; millage rate history 1995-2011; major changes in General Fund revenues and expenses (each down \$131,500 at \$3,696,600) and reasons for those changes. Elimination of debt payments in the Water and Sewer Fund in 2011 and a Street Bond in

2016 will result in savings to the city or dollars that can be dedicated for other uses.

Significant changes to other funds such as Major Streets, Recreation, DDA, Pension, OPEB, Industrial Park, Golf, Harbor and Water are necessary to address shortfalls in these areas. Many of these funds are tapping into fund balance, or are being subsidized by the General Fund to support activities. Decisions on policy changes on legacy costs, adjustment of municipal water rates, and addressing personnel cuts with the least amount of impact to essential services need to be made as part of the budget process.

Council discussed tools and resources for achieving fiscal responsibility and achieving the desired changes, including specific changes to various departmental activities, labor agreements, new criteria for revenue sharing, shared service agreements, consolidation, restructuring and funding of positions, and addressing pension and fringe benefit issues for new hires to coincide with Governor Snyder's dashboard for local government. Additional revenue sources that may be discovered may delay any potential budget cuts this year, but Council will still need to adopt long term programs for sustainable government.

Comments on the proposed budget were received from Bill Klieman, 1374 S Riverside Ave, regarding the relationship of bond payments to debt obligations, and the amount of the increase in water rates proposed in the budget; and Blake Kutsche, 200 Hawthorne, regarding the importance of controlling legacy costs of pension and retiree health care, and changing the future platforms for both. No one else from the audience spoke for or against the proposed 2011-2012 budget.

LaPorte moved, McCartney seconded, CARRIED, to close the public hearing on the proposed 2011-2012 fiscal year budget and millage rate at 7:56 pm.

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-04 - Amendment to Code of Ordinances, Repeal of Chapter 38, Article IV, Section 38-91(g), Use of Alcoholic Liquor by Underage Persons

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO REPEAL A CERTAIN SECTION OF CHAPTER 38, ARTICLE IV OF THE CODE OF ORDINANCES FOR THE CITY OF ST CLAIR CONCERNING THE USE OF ALCOHOLIC LIQUORS BY UNDERAGED PERSONS

The proposed Ordinance, introduced at the April 18, 2011 meeting, repeals Chapter 38, Article IV, Section 38-91(g) of the Code of Ordinances outlining the procedure to be followed for the refusal of a minor to submit to a breath test for suspected alcohol use. The amendment will bring the City ordinance into compliance with Federal guidelines.

LaPorte moved, Kindsvater seconded, CARRIED, to adopt Ordinance No. 2011-04, the repeal of the Chapter 38, Article IV, Section 38-91(g) Use of Alcoholic Liquors by Underaged Persons Code of Ordinances amendment. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance No. 2011-05 – Amendment to Zoning Ordinance, Article 8b, Downtown Redevelopment District

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN AMENDING THE CITY OF ST CLAIR ZONING ORDINANCE, ARTICLE 8B, DOWNTOWN REDEVELOPMENT DISTRICT

The proposed Ordinance, introduced at the April 18, 2011 meeting, amends Article 8b, Downtown Redevelopment District of the Zoning Ordinance, Sections 8.27, 8.32.2, 8.32.3, 8.32.4 and 8.32.7. Most of the amendments are simple text changes to deal with the classification of private clubs and

lodges as a special use in the Downtown Redevelopment District, regulations regarding specific requirements for fuel price sign, electronic message sign, and riverfront sign requirements in the Downtown Redevelopment District, and prohibited signs in the Clinton Ave sub-district dealing with neon closed signs.

Kindsvater moved, McCartney seconded, CARRIED, to adopt Ordinance No. 2011-05, the Article 8b, Downtown Redevelopment District Zoning Ordinance Amendments. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None. ORDINANCE ADOPTED

Resolution No. 11-04 - Committing Funds to the Clinton Avenue Streetscape Project

RESOLVED, That the terms of the Resolution Committing Funds to the Clinton Avenue Streetscape Project under the application made to the Michigan Department of Transportation's Transportation Enhancement Committee, including securing financing, implementing a maintenance plan over the design life of the facility, and authorizing City Superintendent Scott Adkins to act as the City's agent on the project agreement, be adopted as presented. (See Resolution)

City Superintendent advised that the Resolution is required by MDOT to complete the funding options for the grant for the Clinton Ave streetscape project, which includes parking, sidewalk, benches, lighting, historic markers, banner posts, and trash receptacles. The required matching funds of \$248,000 will be split between the DDA (\$165,000 loan) and the Major Street Fund (\$80,000). Administration recommends that Council take advantage of the grant since no funds are coming from the General Fund or Street Fund, and forfeiting the grant could jeopardize future grant opportunities. The terms of the grant agreement require that the Transportation Enhancement Grant be committed by January 1, 2012.

Council reviewed available funding sources for the match funds for the project and expressed uncertainty about committing resources for a streetscape project given the timing of the emergency repairs to St Clair Highway and other potential applications for Major Street Fund dollars. Most streets classified as major streets have already been improved, and a portion of Major Street fund dollars need to be spent on non-motorized applications. It was noted that it was to the City's advantage to offset the improvements with grant funding rather than self-funding many of them which would be required anyway for ADA compliance.

McCartney moved, Cedar seconded, CARRIED, to adopt Resolution No 11-04, the Clinton Avenue Streetscape Project Funds Commitment Resolution. Ayes: McCartney, Burns, Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: None. RESOLUTION ADOPTED

Resolution No. 11-05 - Urging the Michigan Legislature and the Governor to Reevaluate and Modify the Current Tax Structure to Provide for Long-Term Stability of Local Governments

RESOLVED, that the City of St. Clair, by a majority vote of the City Council, respectfully requests the Michigan Legislature and Governor Snyder to reevaluate and modify the current tax structure and, further, strongly urges all local governments to join together in adopting this Resolution for the betterment of the people of the State of Michigan.

Council received a proposed Resolution addressing the tax structure in Michigan and asking the State to provide for long-term stability of local governments facing economic hardships and to eliminate the negative affects to municipal local services.

McCartney moved, Kindsvater seconded, CARRIED, to adopt Resolution No. 11-05, the Tax Structure Reevaluation and Modification Resolution. Ayes: Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney, Cedar. Nays: None. RESOLUTION ADOPTED

Resolution No. 11-06 - Approving Waterways Grant Agreement for Harbor Dredging Project

RESOLVED, that the City of St Clair, Michigan, accepts the terms of the Agreement as received from the Michigan Department of Natural Resources, and that the City agrees to comply with the terms of the Agreement as outlined in the Resolution for the Waterways Grant Agreement for Harbors and Docks – Mooring Construction for the Harbor Dredging Project (See Resolution)

Council received a proposed Resolution approving the Waterways Grant Agreement for the Harbor Dredging Project. Under the terms of the agreement, the City will now be eligible for 50% matching funds, or \$26,950.50 for dredging work recently completed to dredge the harbor basin in the problem areas near the gas dock, fairways, and two transient slips.

LaPorte moved, Burns seconded, CARRIED, to adopt Resolution No. 11-06, the Waterways Grant Agreement Harbor Dredging Project Approval Resolution. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None. RESOLUTION ADOPTED

Resolution No. 11-07 – Approving Charitable Gaming License – Blue Water Offshore Racing Association

RESOLVED, that the request from Blue Water Offshore Racing Association, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining charitable gaming licenses, be considered for approval.

Council received correspondence dated May 13, 2011 from the city superintendent explaining the request of the Blue Water Offshore Racing Association (BWORA) that they be granted nonprofit status to obtain a raffle ticket license from the State to support and expand the race events. Approval of the request was recommended.

LaPorte moved, McCartney seconded, CARRIED, to adopt Resolution No. 11-07, the Blue Water Offshore Racing Association Charitable Gaming License Resolution. Ayes: Kindsvater, Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Bridge to Bay Signage Request

City Superintendent explained the request of the St Clair County Parks and Recreation Commission that the city participate in a pilot program for signage along the Bridge-to-Bay Trail. Signs would direct trail users from one section of the trail to the next, as well as indicate local community attractions near the trail. There is no cost for participation.

Member Krebs questioned responsibility for maintenance and/or replacement costs for the signs in the future. Signs are a standard size and would be the City's responsibility to replace if they were damaged or destroyed.

Foley moved, McCartney seconded, CARRIED, to authorize participation in the St Clair County Parks and Recreation Commission Bridge-to-Bay Trail Sign Program.

City Attorney – None.

City Departments

City Engineer – St Clair Highway Repairs

Engineer Harrington explained that the city has identified a compromise of the road surface and

slope failure attributed to earth movement along St Clair Highway near Palmer St. The problems created horizontal shifting causing the road to slide towards the Pine River. Repairs are estimated at \$319,702 and the road needs to be stabilized to avoid further damage as the condition continues to deteriorate. Administration is requesting authorization to solicit bids for the work.

Council discussed how to best align costs for the repairs within the existing budget considering available fund balance and other pending projects; use of in-house engineering services to reduce costs; whether any reimbursement could be pursued from the engineering firm or contractor involved in the road reconstruction project on St Clair Highway in 2010; or whether work on the adjacent railroad or brine lines contributed to the problems. It is believed that there is no liability associated with the project and that the conditions are simply due to the normal freeze and thaw cycle over a period of time.

Kindsvater moved, McCartney seconded, CARRIED, to approve solicitation of bids for the St Clair Highway Slope Stabilization project.

Recreation Director – St Clair County Parks and Recreation Commission 2011 Local Millage Distribution of Funds

City Superintendent advised the Council that County Parks and Recreation has requested from the City the annual request for distribution of Local Millage Funds for 2011. The City is eligible to receive \$30,764.00 based upon the calculation formula. Millage funds have been earmarked for the city's current master plan capital improvement projects and Recreation Passport Grant-Greig Park improvements.

Foley moved, McCartney seconded, CARRIED, to approve the 2011 St Clair County Parks and Recreation Local Millage Distribution Request.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS

Establish Municipal Water Rates

City Superintendent summarized the recommendations received from the Spicer Group for establishing future water rates to address the deficit situation in the Water Fund. In addition to the preferred option from the six presented in the study which would implement a 7.5% annual increase for four years, then 2% annual increase thereafter, two additional options were proposed:

- Apply a 15% commodity charge in the first year only, and a 2% increase for ready-to-serve and meter charges. This option would reduce the amount of long-term capital reserves in the first two years, and does not solve the problem moving forward.
- Apply a 4% annual increase for four years, followed by 2% thereafter. This option starts to build fund balance in year three and provides a more moderate increase in fund balance for capital improvements, which allows the city to pay for operations and builds the savings in the fund over a ten year period.

It was recommended that an additional work session be scheduled to finalize the municipal water rate to be incorporated in the upcoming fiscal year budget.

Council discussed the impact of the various options on consumer rates, fund balance, plant operating expenses and potential funding for capital improvements. The city will need to look at a combination of cost containment measures and an overall plan for plant maintenance and infrastructure improvements.

A comparison of city water rates with surrounding townships, variations in the water rate study

information between production of water and sales, and alternative billing methods such as a flat rate billing or standardizing residential meter charges were also reviewed.

McCartney moved, Krebs seconded, CARRIED, to schedule a special council meeting/workshop session on Thursday, May 26, 2011 at 6:00 pm for the purpose of establishing municipal water rates.

NEW BUSINESS

Approve Issuance of Special Events Permits for St Clair Recreation Department Summer Events

Council received a memorandum from the Police Chief dated May 11, 2011 containing a recommendation for approval of a special events permit for the Recreation Department to hold its annual outdoor concert series, and outdoor movies from June to August on Fridays from 7:00 pm to 9:00 pm for concerts and dusk for movies; and the classic car show on July 22, 2011 from 12:00 pm to 9:00 pm. All events would be held in Palmer Park. The applicant has complied with necessary requirements of the Special Events Ordinance and issuance of the permit is recommended.

LaPorte moved, Kindsvater seconded, CARRIED, to grant the Recreation Department summer outdoor events special events permit request.

St Clair Recreation Department Skate/Bike Park AGA Summer Jam

Council received a memorandum from the Police Chief dated May 11, 2011 containing a recommendation for approval of a special events permit for the Recreation Department to hold a skate/bike park AGA summer jam demonstration and competition on June 18, 2011 from 3:00 pm to 8:00 pm. The applicant has complied with necessary requirements of the Special Events Ordinance and issuance of the permits is recommended. Council discussed the availability of parking for the event and the activities included.

Foley moved, Kindsvater seconded, CARRIED, to grant the Recreation Department Skate/Bike Park AGA Summer Jam special events permit request.

St Clair Rotary Club 5K Race

Council received a Police Chief memorandum dated May 11, 2011 recommending that the city approve the request of the St Clair Rotary Club to conduct a 5-K race along M-29 and various residential side streets on June 25, 2011 from 8:00 am to 11:00 am. The applicant has complied with the requirements of the Special Events Ordinance and issuance of the permit is recommended.

LaPorte moved, Foley seconded, CARRIED, to approve the St Clair Rotary Club 5-K race special events permit request as recommended.

CLAIMS AND ACCOUNTS – May 5 & 12, 2011

Check registers listing the bills for the period ending May 5, 2011 (check numbers 30039 ->30080), and May 12, 2011 (check numbers 30081 ->30123) were presented for Council review.

Council discussed specific payments for fuel remediation at Pine Shores Golf Course and the possibility of seeking restitution for the damages.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of May 5, and 12, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, 1374 S Riverside Ave, regarding continuation of the monthly council workshop meeting format following the initial three month trial period.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Details of the May 30, 2011 Memorial Day Parade and Derek Kaufman Memorial Wood Bat Tournament were announced.

City Superintendent updated Council on the City's attempts to work with St Clair Township to amend the terms of the Act 425 Land Transfer Agreement for the industrial park.

ADJOURNMENT at 9:05 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
SPECIAL COUNCIL MEETING
THURSDAY, MAY 26, 2011 - 6:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Special Meeting of the City Council to order in the Council Room of the Municipal Building at 6:01 pm for the purpose of establishing water rates, reviewing the St Clair Township Act 425 agreement, and conducting a 2011-2012 FY budget workshop.

PRESENT: Mayor Cedar, Members Burns (6:14 pm), Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: Scott Adkins, City Superintendent, Mike Booth, Accountant; Janice Winn, City Clerk.

AUDIENCE: Eric Hall, D J Boulter, Nancy Beaudua, Dan Lockwood, Jim Bloch, *The Voice*.

CONSENT AGENDA – None

REQUIRED ACTION ITEMS

Establish Municipal Water Rates

Council reviewed options for adjusting municipal water rates to address a dwindling cash balance in the water fund which will be depleted this year if rate increases are not implemented. The options provided in the water rate study presented by the Spicer Group in April 2011 along with two additional options provided by Administration were reviewed. Different percentage increases and their impact on commodity charges, fixed service charges, fund balance, capital improvement schedule, and plant operations and maintenance were explored.

After reviewing the options, councilmembers narrowed the choices to Option B, with a 7.5% annual increase to the water commodity charges, ready to serve charges, and meter location charges for the first four years, followed by an annual 2% increase for the remainder of the 10 year study period; and Option H, with a 4% annual increase for the first four years, followed by a 2.5% annual increase for the life of the plan. Both options would build and maintain an adequate cash balance in the water fund over the course of the next ten years and provide for repair, replacement and capital improvements, although Option H would build revenue at a slower rate. Rates would be evaluated annually for a significant change in expenses, or variables that may cause flexibility in the rate structure.

Councilmembers considered external factors in development of the rates, including standardized residential meter charges, itemized listing of billing charges vs a flat rate billing format, completion of infrastructure improvements and larger capital improvements to the water system, including emergency repairs or a water tower, and exploring formation of a water and sewer authority as a cost savings measure. A detailed capital improvement plan will be developed as part of the process.

LaPorte moved Kindsvater seconded, CARRIED, to accept the proposal known as Option H. to increase municipal water rates 4% annually for years one through four and 2.5% annually beginning in year five and thereafter until year ten, and incorporate this option into the FY 2011-2012 budget document. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None.

St Clair Township Act 425 Agreement

Council received proposed language to amend the Act 425 land transfer agreement with St Clair Township for the Range Rd industrial park. The city proposed that the terms of the original agreement adopted in 2000 be modified to provide an altered schedule of millage payments for tax abated property if a tenant is secured. St Clair Township supported the amendments as a cooperative arrangement with the City of St Clair.

Superintendent Adkins outlined the revisions to Section 5.2.5 of the agreement as follows:

5.2.5 Tax Exempted Property: In the event that a tax exemption or abatement is granted in whole or in part to any real or personal property located within the area described above, the exemption or abatement shall be applied to the 2-mill annual payment intended to compensate the township for the length of said abatement.

Upon termination of any such tax abatement, the township shall receive, beginning in the year following the termination of the abatement, an additional 1-mill payment, for a total of 3-mills, based upon the then current annual taxable value for the abated property.

The additional 1-mill payment shall continue annually for a length of time equal to the term of the original abatement.

The provisions of this section shall terminate on August 22, 2038, it being the intention of the parties that no tax abatement shall extend past the scheduled termination of this 425 agreement on August 22, 2050.

The amendment would allow the city to defer millage payments during the term of any tax abatement granted to a company.

Council discussed the benefits of the arrangement and the amount invested by the city into the property for development costs and infrastructure. The city has invested above and beyond the usual criteria to secure the initial and subsequent Act 425 agreements as an investment into the city's future goals for economic development.

LaPorte moved, Foley seconded, CARRIED, to adopt amendments to Section 5.2.5 of the Act 425 land transfer agreement with St Clair Township as recommended. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None.

WORKSHOP SESSION

FY 2011-2012 Budget

Council reviewed the budget proposal previously submitted by Superintendent Adkins. Other than the water fund, which will now reflect the established water rates and capital build, no changes to the budget were made.

Council discussed factors that will impact current and future budgets, including the economic incentives for state revenue sharing, best practices for local governments and credits for cooperative efforts, health care and pension issues, and non-union policies and procedures changes. Every area of the budget will be looked at individually and in combination and decisions made based on achieving best results. The balance of health care and pension costs, and employee wages will be the most significant areas to address.

Specific areas of the concern with the budget were discussed by councilmembers in detail:

Recreation Programs and Pool – Councilmembers acknowledged that the city cannot continue the day-to-day maintenance of parks and recreation operations at the current level. The General Fund is now subsidizing recreation by \$99,000 annually. Of that amount, \$35,000 is for the pool, and the balance is needed to sustain current programs and facilities. It was suggested that it might be time to eliminate any programs that are not self-supporting or that the private sector can provide, use county millage funds to support operations, scale back pool operations, or ask voters for a millage to support recreational activities.

Golf Course – The golf course has a five year deficit reduction plan on file with the state. When the grant to build the new facility was accepted years ago, long-term projections on revenue and expenditures were not considered. Clubhouse debt will be retired this year and revenue will begin to accumulate from this point forward. It was suggested that the clubhouse be separated from the golf course and privatized to increase revenue. The nine-hole golf course was seen as a disadvantage when trying to compete with 18 hole courses in the area.

Boat Harbor – If the boat harbor continues its current financial decline, it will also end up in a deficit position. Council discussed the need to make the harbor more operational and cost effective by looking at alternative revenue sources such as winter usage.

Road Improvements – Council explored options to fund the road repairs needed with limited fund balance, acknowledging that streets and public safety were top citizen priorities. Interfund transfers, voted bonds, and special assessment district financing methods were explored along with the related debt obligations and terms of repayment. Council discussed the desire to time the new bond issue with the expiration of the next road bond issue in 2016 to maintain the same level of voted millage. Road conditions, major street improvement expenditures, and funding needed for unexpected repairs to St Clair Highway will also be considered when determining how to structure future road improvements.

Police – The overall cost of police operations, cost savings to be gained by contracting with the county sheriff department, and formation of a public safety department were discussed. Administration felt contracting was not a sustainable proposal for long-term savings or level of service because the county does not have the same departmental structure, and city personnel and legacy costs would still apply. The public safety option is not comparable and would not be an easy transition because there are too many different scenarios and complications. Ways to control overtime expense, especially charges associated with special events need to be addressed. Administration will continue to explore possible solutions for police services.

Fire Authority – The advantages and disadvantages of a regional fire authority were examined along with the current financing structure for the city and surrounding townships. The anticipated cost savings have not been realized to the degree expected since the authority was formed. Following a regional fire service meeting, SEMCOG was engaged to perform a comprehensive review and study to determine the best fire services for the city and the current authority.

Other Personnel Changes – Accountant Booth distributed information showing a cost sharing analysis of revenue, health care expense, and pension expense by department. Council suggested renegotiating non-union policies and procedures or reopening union contracts to negotiate cost sharing of benefits and pension programs. Shared services of water/sewer, DPW, police, and engineering will also be looked at to determine whether there are any advantages to contracting or modifying these services.

Council suggested that administration explore submitting a ballot question to voters at the November 2011 or August 2012 election asking for millage to support road projects and/or recreation activities. City Superintendent will work with bond counsel and the city attorney to compile information and a suggested timetable and report the findings to council at the June 6, 2011 meeting. The final budget document will also be presented for adoption by council at this meeting..

PUBLIC QUESTIONS AND COMMENTS - None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

The Derek Kaufman Memorial Wood Bat Tournament will be held Memorial Day weekend in St Clair.

ADJOURNMENT at 7:46 pm.

Janice Winn, City Clerk

Bill Cedar, Jr

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, JUNE 6, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: Member Burns.

ADMINISTRATION: Scott Adkins, City Superintendent, Mike Booth, Accountant; Janice Winn, City Clerk.

AUDIENCE: There were seven persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

Kindsvater moved, McCartney seconded, CARRIED, to record the absence of Member Burns as excused.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

- A. City Council Minutes of May 16, 2011 Regular Meeting and May 26, 2011 Special Meeting: Approve
- B. Historical Commission Minutes of April 14, 2011: Receive

PRESENTATIONS

Presentation from St Clair Chamber of Commerce – “Discover the Blue” Program

St Clair Chamber of Commerce Director Jody Skonieczny described the “Discover the Blue” program and explained its benefits to St Clair. The program, which evolved out of the Downtown Summit meetings, is designed to give exposure to the various downtowns and tourism in every community in the region through distribution of promotional materials in marinas, posting schedules of special events in local restaurants and other public places, and running a television campaign with local advertising videos related to tourism from Memorial Day through Labor Day. The program is being funded through a grant from the Community Foundation of St Clair County. Ms Skonieczny invited council to attend the next Downtown Summit meeting, which will address steps to be taken to attract businesses to the region, especially unique retail and dining establishments.

ORDINANCES AND RESOLUTIONS

Resolution No. 11- 08 - Approving Ward Division Lines

RESOLVED, that the City Council of the City of St Clair hereby approves the ward division lines recommended by the Election Commission as contained on the attached map, to be effective June 6, 2011.

FURTHER RESOLVED, that the apportionment plan showing the new ward division lines be filed

with the City Clerk and forwarded to the Secretary of State Bureau of Elections so that the appropriate changes to ward boundaries can be made and the affected voters notified.

City Clerk explained the need to reapportion the city's three wards following the 2010 census so that the wards are divided as equally as possible by population. Maps showing the current boundaries, two proposed options, and recommended ward division lines were reviewed.

McCartney moved, Foley seconded, CARRIED, to adopt Resolution No. 11-08, the Ward Division Lines and Apportionment Plan Approval Resolution. Ayes: McCartney, Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: None. RESOLUTION ADOPTED

Resolution No. 11-09 - Adopting 2011-2012 Annual Budget, Millage Levy and Appropriations Act, Adopting a Schedule of Fees and Charges, and Establishing Municipal Water Rates

RESOLVED, that the summary of revenues and expenditures for the 2011-2012 Fiscal Year Budget be approved.

FURTHER RESOLVED, that the 16.9787 total millage requirement for local purposes and the general operating millage of 13.0581 for the 2011-2012 City of St. Clair fiscal year budget be approved and authorized to be levied as contained in the Budget Resolution.

FURTHER RESOLVED, That the adopted budget for the fiscal year beginning October 1, 2011 and ending September 30, 2012 shall establish the approved appropriation levels for the said fiscal year.

FURTHER RESOLVED, that the Schedule of Fees and the Utility Rate Schedule be adopted as part of the budget; and

FURTHER RESOLVED, That the City Council does hereby authorize the City Superintendent to execute transfers between appropriations provided that each transfer be approved by the City Council prior to its execution.

FURTHER RESOLVED, That the City Council retains authority to amend the city budget and this appropriations act at such times when deviations from the projected revenues and authorized expenditures levels become necessary and the amount of the deviation becomes known.

City Superintendent explained that no changes were made to the budget proposal other than establishing the water rates and the addition of an expanded fee schedule.

Council questioned franchise fee revenue from lease agreements for telecommunications towers; revenue sharing allocation levels; personnel changes resulting from budget cuts and whether retirements, union contract negotiations, court decisions providing statutory reform, or adjustments to wages, health care and pension benefits could retain jobs and essential services. Other factors such as development of the industrial park, retirements, and changes in taxable value will determine the amount of revenue available to the city to support operations. The city would need to make an additional \$50,000 in budget cuts in combination with other long-term adjustments in order to save just one job, and next year will again be looking at ways to trim the budget by another \$150,000 - \$200,000. During the next few months an aggressive platform with alternatives in employee wages and fringe benefit costs and contributions will be offered by administration.

Council also discussed the water rate increase of 4% incorporated in the budget, the anticipated changes to the water fund, and the time frame for evaluating results.

LaPorte moved, Kindsvater seconded, CARRIED, to adopt Resolution No. 11-09, the 2011-2012 Fiscal Year Budget, Millage Levy Authorization, and Appropriations Act, Fee Schedule and Water Rates Adoption Resolution. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

St Clair Township Act 425 Agreement Amendment – A draft resolution was prepared by the city attorney to formalize the mutual agreement reached to amend the agreement to address tax abated properties. A public hearing is required prior to approval of the resolution.

LaPorte moved, McCartney seconded, CARRIED, to schedule a public hearing on the proposed amendment to the Act 425 land transfer agreement between the City of St Clair and St Clair Township for Monday, June 20, 2011 at 7:00 pm at the Municipal Building.

St Clair Highway Slope Stabilization Project – The MDOT and Army Corps of Engineers permits for the road stabilization project were submitted for approval with bid documents expected to be released next week. No determination has been made on the City's insurance claim for the damages, which are attributed to a subsoil issue between the water line and the road. The city engineer has offered to address council to explain the technical issues associated with the slope failure and subsequent road integrity.

Kevin's Lawn Care Contract Adjustment – City Superintendent received a fax from Kevin's Lawn Care & Snow Removal, Inc requesting a 2% increase in their weekly lawn mowing rate to defer the cost increases in fuel prices. The contract was extended last year for three years. The total weekly cut price would increase from \$853.00 to \$870.06, a difference of \$17.06/cut/week; or \$68.24/month. It was noted that Kevin's was significantly lower than the other contractors who bid on the job originally, and concerns were expressed that rebidding the contract could result in much higher rates.

McCartney moved, Kindsvater seconded, CARRIED, to approve a 2% increase in the weekly lawn mowing contract with Kevin's Lawn Care and Snow Removal, Inc effective immediately. Ayes: Foley, Kindsvater, LaPorte, McCartney. Nays: Krebs, Cedar.

Road/Recreation Bond Proposal – No new information was received on the possibility of submitting a millage question to the electorate at the November 2011 election to support road improvements or recreation operations.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS – None.

CLAIMS AND ACCOUNTS – May 19, 26 & June 2, 2011

Check registers listing the bills for the period ending May 19, 2011 (check numbers 30124 - >30170), May 26, 2011 (check numbers 30171 ->30215), and June 2, 2011 (check numbers 30216 - > 30251) were presented for Council review.

Council discussed specific payments for fuel remediation at the St Clair Boat Harbor.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of May 19, 26, and June 2, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, 1374 S Riverside Ave, questioned the amount of revenue to be generated annually by the water rate increase, and how long the increase would be imposed. A five year rate program and a ten year plan have been developed with rates evaluated yearly.

DDA Chairman Dan Lockwood advised that St Clair will be hosting the Lake Huron Lore Marine Society maritime merchandising sales event on Saturday, June 11, 2011 in the Riverview Plaza.

Robert Grave, 1951 Karen Ave, a new resident to St Clair, discussed tourism and water rates and the benefits of St Clair as a community.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Council discussed notification and enforcement procedures for lawn mowing and weeds violations. Many vacant and foreclosed homes and vacant lots are being left unattended and are being mowed by the DPW in accordance with current practices. Changes are being considered to the ordinance to shorten the time frame for notification to allow quicker clean-up of the affected properties. Residents were asked to notify the city of any uncut grass so that a violation notice can be sent to the owner as soon as possible.

ADJOURNMENT at 7:50 pm

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Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
TUESDAY, JULY 5, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Kindsvater, Krebs, LaPorte.

ABSENT: Members Foley and McCartney.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent; City Engineer Michael Harrington

AUDIENCE: There were two persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

Moved by LaPorte, Burns seconded, CARRIED to excuse members Foley and McCartney.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

Kindsvater moved, Krebs seconded, CARRIED, to approve Consent Agenda items A., and B., as presented.

- A. City Council Minutes of June 20, 2011 Regular Meeting: Approve
- B. Board of Cemetery Trustees Minutes of April 19, 2011 Meeting: Receive

ORDINANCES AND RESOLUTIONS – None.

REPORTS FROM ADMINISTRATION

City Superintendent

Project and Development Updates – Superintendent Adkins presented an update to Council concerning the proposed I-69 International Trade Corridor. He stated that Councilmember Burns and he recently attended a meeting concerning the project. He encouraged support for the concept, however cautioned further involvement until more details, including costs were provided. He also mentioned that it may be important to market the industrial park as part of the process but felt that we may have initially been excluded.

An update was provided concerning the most recent industrial park prospect. The Council was told that the group has chosen to develop near their existing site in the southern US. It was mentioned that another prospect is still interested in the site, but no specific details have been provided. Superintendent Adkins suggested to Council that consideration be given to removing the free land offer as an initial approach and that it only be considered as part of an incentive package. He also recommended that we consider listing the property with a commercial broker.

Council supported further investigation into the broker option.

City Attorney

Ordinance Enforcement Update - Attorney Joachim provided Council with an explanation of how the ordinance enforcement process worked through the court system. He indicated that once a municipal civil infraction is issued, after the time period if no payment is made for the citation, a misdemeanor ticket must be issued through the court and that it is up to the judge how and when the issue gets onto the docket. He further explained that there is no process for repeat ordinance violators other than to repeat the process and that blight matters are the most frustrating of all. He further stated that ordinance enforcement is a constant effort in every community.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

Councilmember Burns shared with Council the Cemetery Board of Trustees frustration with the mowing currently being done by Kevin's Lawn Care. He stated that the grass was not being cleaned from the headstones and certain areas were not being maintained very well at all. Superintendent Adkins stated that Mike Harrington had addressed the matter with the owner of Kevin's and that it was suggested that Sections 4 and 7 be mowed twice weekly at an additional cost. Councilmember Krebs stated that the mowing has been an issue for years. Councilmember Kindsvater inquired if the City could assume the mowing, as we once performed that work. Superintendent Adkins stated that it could be possible; however changes to the union contract are needed as well as the purchase of additional equipment.

Director of Public Services Harrington stated that he is further reviewing the options. Superintendent Adkins also stated that we may choose to re-bid the cemetery portion of the mowing contract.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Award Contract for St Clair Highway Slope Stabilization Project

Steve Pangori of Anderson, Eckstein and Westrick (AEW) was present to detail the results of the recently bid project. He indicated that Boddy Construction was the low bidder for the project in the amount of \$258,466.73; however the bid documents require the bonding agency to have a rating of A-, and the bond included from Boddy Construction had a rating of B+. Mr. Pangori also indicated that he spoke with Boddy Construction earlier today and they are confident that they can obtain a bond from an agency meeting our requirement within the next 10 days. Councilmember LaPorte stated that there had been problems with Boddy Construction in the past and he was concerned about this project. He also asked if they had experience in this type of project. Mr. Pangori stated that the sub-contractor for the job that would actually perform the seawall work (Faust Corporation) was very experienced, and that they actually were the number three bidder on this project.

Councilmember Kindsvater stated that he was concerned about the bidder and felt that we should go with the second company on the project, and that they had performed work for the City previously.

Bill Klieman asked what work was done by the second bidder previously.

Superintendent Adkins stated that they had performed roadwork but did not have a

project list with him. Mr. Klieman asked if they were the contractor that did the work on S. Riverside, Mr. Adkins stated yes. Mr. Klieman then asked who that contractor was, Mr. Adkins responded naming Pamar Enterprises as the second lowest bidder.

Mr. Pangori and Mr. Harrington answered further questions concerning the qualifications of the second firm. It was stated by Mr. Pangori that it did not appear that any subcontractors would be used for the project and that Pamar Enterprises would be performing their own work. Both Mr. Pangori and Mr. Harrington believed that Pamar Enterprises could perform the work as specified.

Councilmember Burns asked why there was a discrepancy between the bidders in certain cost areas, such as sheet piling, etc. Mr. Harrington responded that it is not uncommon to have cost differences between bidders based upon inventory on hand, or their suppliers. Mr. Pangori stated that in nearly 25 years of doing this work, he has seen this often and there are varying reasons for the cost differences, some with no explanation.

Kindsvater moved, LaPorte seconded, CARRIED, to award the St Clair Highway Slope Stabilization Project contract to Pamar Enterprises, Inc in the amount of \$259,507.50. Roll Call Vote: Kindsvater-yes, Krebs-No, LaPorte-Yes, Burns-Yes, Cedar-Yes.

CLAIMS AND ACCOUNTS – June 23 & 30, 2011

Check registers listing the bills for the period ending June 23, 2011 (check numbers 30333 ->30384), and June 30, 2011 (check numbers 30385 ->30428) were presented for Council review.

LaPorte moved, Burns seconded, CARRIED, to approve payment of June 23 & 30, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Mayor Cedar stated that the July 4th fireworks were great and thanked everyone involved with putting on the holiday display.

Councilmember LaPorte stated that this year paper “firecrackers” were sold and additional funds raised will be used towards next year’s show.

Councilmember Krebs stated that the Blue Water Farmer’s Market run by the Garden Club will start Wednesday across from Pine Shores Golf Course.

Meeting was adjourned at 7:49 p.m.

Scott A. Adkins, Acting City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, JULY 18, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: James Downey, Jr, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Janice Winn, City Clerk.

AUDIENCE: Bill Klieman, Mary Beaudua, Nancy Beaudua, and Jim Bloch, *The Voice*.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda item A. as presented.

A. City Council Minutes of July 5, 2011 Regular Meeting: Approve

ORDINANCES AND RESOLUTIONS

Ordinance Introduction – Amendment to Code of Ordinances, Chapter 34, Cost Recovery for Emergency Responses

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 34 OF THE CITY CODE OF ORDINANCES BY THE ADDITION OF ARTICLE IV. COST RECOVERY FOR EMERGENCY RESPONSES

Council received a proposed ordinance to allow the city to recover costs for police, fire, DPW or other support services related to the use of emergency resources of the city. The intent is not to charge for normal or standard emergency responses, but for extraordinary situations involving a criminal act, illegal activity, or situation that causes a major emergency. The ordinance will also bring the city into compliance with state requirements. Section 34-60 of the ordinance was corrected to change the MCLA reference from 41.808 to 41.801.

General discussion followed on how the ordinance would apply to specific emergency response situations such as disabling utility transmission or service lines, excessive responses to the same location such as the senior citizen complex, routine accidents requiring a police report, billing, recording and distribution of the collected fees in the budget, and similar recovery mechanisms used by the county and state.

Attorney Downey noted that the city currently has individual ordinances that provide the same cost recovery ability for drunk driving violations and hazardous materials incidents. The new ordinance will establish the same practice for criminal acts.

LaPorte moved, Kindsvater seconded, CARRIED, to introduce the Cost Recovery for Emergency Responses Code of Ordinances amendment, as corrected. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None.

Ordinance Introduction – Amendment to Zoning Ordinance, Article 6, Signs

AN ORDINANCE AMENDING THE CITY OF ST CLAIR ZONING ORDINANCE, ARTICLE 6, SIGNS

Council received a proposed ordinance defining requirements for signs erected for special events by civic and charitable organizations, light pole banners, and cross-street banners.

Member Burns suggested raising the permitted height of ground mounted civic and charitable event signs for non-profit and church organizations from 24" to 36" for visibility purposes. The maximum six square foot total sign size would still apply. Member McCartney questioned regulations for wind banners such as those used at car dealerships. This language will be included in a future ordinance amendment once finalized by the Ordinance Review Committee.

Burns moved, McCartney seconded, CARRIED, to introduce the Article 6, Signs Zoning Ordinance amendment, modifying Section 6.5.3 Special Event Signs, B.3., to provide that the height of ground mounted civic and charitable event signs not exceed thirty-six inches in height. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None.

REPORTS FROM ADMINISTRATION

City Superintendent

St Clair Highway Slope Stabilization Project – Restoration of the St Clair Hwy road surface near Palmer St and stabilization of the adjoining embankment is expected to begin in August. Council discussed the construction timetable, traffic detours during construction and the upcoming boat races, and the status of the city's insurance claim for the damages. No determination has been made on the insurance claim, which will most likely hinge on the interpretation of earth movement language contained in the policy.

Trash & Brush Collection Issues – Residents were asked to comply with the schedule for placement and removal of trash receptacles from the curb before and after normal collection day, and to adhere to the monthly brush pickup schedule and policies. Problems have been identified with people leaving excessive amounts of brush out on their regular collection day, or having a continuous brush pile on their property. Storm events are an exception, in which case the brush will be collected the next business day following the storm. Council reviewed additional trash and brush collection issues, including correcting contact information for Waste Management Co on their informational flyer, providing reminders to residents of city policies in a community newsletter or other means of notification, adjustments in trash collection due to holidays, elimination of the city composting drop-off site for brush and leaf disposal due to MDEQ environmental regulations, time frame for removal of fallen trees on private and public property, and issuance of citations to residents who drag and leave brush in the road.

M-29 Bus Stop Shelters – Mayor Cedar questioned the authority for choosing the location of the Blue Water Area Transit Authority bus stop shelters placed on both sides of M-29 near Jay St. The city had a limited role in the decision because the shelters are located in the MDOT right-of-way, although attempts were made to incorporate them between trees and shrubs in a suitable location to the route. Bill Klieman, 1374 S Riverside Ave, questioned how buses would be rerouted during the upcoming boat races. The M-29 route will most likely shift to Third St and Jay St and be marked with appropriate signage.

Captain's House Property - Member Foley inquired about the status of the former site of the captain's house adjacent to the St Clair Inn and its attraction as a gathering place for teens. The city recently placed gravel on the property which has become a parking lot. An ownership dispute makes it difficult for the city to manage its use or receive reimbursement for maintenance done on the property.

Palmer Park Seawall – The DPW is installing tie backs and ship bollards along the seawall in Palmer Park to facilitate mooring of larger vessels in the St Clair River.

Bond Issue for Roads – The status of a ballot proposal for a local road bond issue to be submitted to voters in November was explained. Bond counsel and the financial consultant are preparing alternatives using dollar amounts, term and millage rates for comparison purposes. The cost to the average homeowner will depend on the option chosen. Attempts will be made to time the new bond issue with other maturing bonds to lessen the burden on the taxpayers.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

Harbor Commission (Member McCartney) – A recap of the vintage weekend antique boat show hosted by the St Clair Boat Harbor was given. Boat registrations were down but attendance was up.

Downtown Development Authority (Member Burns) – The DDA is exploring options for welcome center operations and staffing. The possibility of staffing the office full-time is unlikely, although an opportunity exists for volunteer groups to play a part. Council expressed an interest in keeping the center open on weekends, especially during special events. As an alternative, an ambassador guide with information on local dining, community events and other activities has been prepared and is available at local points of interest.

UNFINISHED BUSINESS – None.

NEW BUSINESS – None.

CLAIMS AND ACCOUNTS – July 7 & 14, 2011

Check registers listing the bills for the period ending July 7, 2011 (check numbers 30429 ->30460), and July 14, 2011 (check numbers 30461 ->30520) were presented for Council review.

Councilmembers discussed the purchase of a television from B & H Photo for CTV and funding for At the Market expenses.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of July 7 & 14, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Details were announced for the July 29-31, 2011 Blue Water Offshore Racing Association boat race events, and Aug 5-7, 2011 St Clair Boat Harbor Mardi gras weekend.

ADJOURNMENT at 7:41 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, AUGUST 1, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Krebs, LaPorte, McCartney (7:10 pm).

ABSENT: Member Kindsvater.

ADMINISTRATION: James T Downey, Jr, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Mike Booth, Accountant; Stephanie Schriener, Harbormaster; Janice Winn, City Clerk.

AUDIENCE: There were five persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

LaPorte moved, Krebs seconded, CARRIED, to record the absence of Members Kindsvater and McCartney as excused. (Member McCartney arrived at 7:10 pm).

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Burns seconded, CARRIED, to approve Consent Agenda items A., B., and C., as presented.

A. City Council Minutes of July 18, 2011 Regular Meetings: Approve

B. Downtown Development Authority Minutes of June 16, 2011 Meeting: Receive

Member Foley requested an update on the direction taken by the DDA on the Riverview Plaza Redevelopment Project.

C. Historical Commission Minutes of June 9, 2011 Meeting: Receive

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-06 – Amendment to Zoning Ordinance, Article 6, Signs

AN ORDINANCE AMENDING THE CITY OF ST CLAIR ZONING ORDINANCE, ARTICLE 6, SIGNS BY THE ADDITION OF SECTIONS 6.5.3.B., 6.5.8, AND 6.5.9.

Council received a proposed ordinance introduced at the July 18, 2011 meeting to regulate civic and charitable event signs for special events, light pole banners, and cross-street banners. Questions were raised regarding guidelines for large inflatable displays for special events. The Planning Commission is considering a temporary short-term sign ordinance amendment to permit these types of signs for two weeks before and after the event.

LaPorte moved, Foley seconded, CARRIED, to adopt Ordinance No. 2011-06, the Article 6, Signs Zoning Ordinance amendment. Ayes: Burns, Foley, Krebs, LaPorte, Cedar. Nays: None.
ORDINANCE ADOPTED

Ordinance Re-Introduction – Amendment to Code of Ordinances, Chapter 34, Cost Recovery for Emergency Responses

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 34 OF THE CITY CODE OF ORDINANCES BY THE ADDITION OF ARTICLE IV. COST RECOVERY FOR EMERGENCY RESPONSES

Council received a proposed ordinance introduced at the July 18, 2011 meeting and revised by the city attorney and Ordinance Review Committee to allow the city to recoup costs associated with certain emergency response services. Definitions for bomb threat, excessive requests for emergency assistance, and false alarm were added, as well as language on time limitations for response for weather-related emergencies, abuse of emergency response to a particular location, hazardous materials or environmental emergency responses, and considerations used in assessment of costs. The ordinance is being submitted for re-introduction with these changes.

Correspondence dated July 26, 2011 was also received from AT&T opposing the ordinance on the basis that it was a tax increase detrimental to residents and business, imposes liability in situations where no fault has been assigned, and is arbitrary in its imposition of fees for which no defense is provided. It was noted by administration that less than 1% of total emergency responses involve utility emergencies and the ordinance is not designed for routine or Act of God incidents, but rather to assign a responsible party for illegal or negligent acts or repetitive unfounded emergency responses. The ordinance is a model ordinance used by other communities and the Michigan Municipal League.

Council discussed the challenges associated with administering and enforcing various provisions of the ordinance, including differentiating between routine and nuisance emergency calls to warrant a misuse of service, excessive responses to a single location within a specific time frame, assignment of responsibility for incidents at a senior residential complex, response time needed to assess an emergency situation by a utility company, and the appeals process provided.

(Member McCartney arrived at this portion of the agenda and was seated at the council table).

Section 34-61 f. Excessive Requests for Emergency Assistance was stricken from the ordinance because of its similar language to 34-62 i. addressing excessive emergency service response. Wording was also modified in this section to generalize the meaning of frequency and location for emergency response.

Bill Klieman, 1374 S Riverside Ave, questioned how the ordinance would apply to fire department responses to townships served by the St Clair Area Fire Authority. The proposed ordinance only applies to city residents, although at least one of the townships served already has a similar ordinance in place.

Following review and comments:

Foley moved, McCartney seconded, CARRIED, to re-introduce the Cost Recovery for Emergency Responses Code of Ordinances amendment with the deletion of Section 34-61 f. as recommended. Ayes: Foley, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None.

Ordinance Introduction – Amendment to Code of Ordinances, Chapter 14, Adoption of the International Property Maintenance Code

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO ADOPT THE INTERNATIONAL PROPERTY MAINTENANCE CODE

Council received a proposed ordinance to regulate and govern the conditions and maintenance of property, buildings and structures in the city, and to strengthen enforcement of property violations to ensure that structures and property are safe, sanitary and fit for occupation and use. The ordinance corresponds with many existing city ordinances, and will strengthen city enforcement abilities for blight and other property violations. The city's current fee schedule will be utilized for inspection and enforcement.

Foley moved, McCartney seconded, CARRIED, to introduce the International Property Maintenance Code City Code of Ordinances Amendment. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None.

Ordinance Introduction – Amendment to Code of Ordinances, Chapter 14, Residential Rental Dwellings

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 14 OF THE CITY CODE OF ORDINANCES

Council received a proposed ordinance prepared by the planning consultant and reviewed by the Ordinance Review Committee to regulate residential rental dwellings and rental units. The ordinance is intended to prevent blight, and insure minimum maintenance of residential rental dwellings and rental units, identify procedures for enforcement and provide penalties for violation. The ordinance was prepared in response to goals outlined in the Strategic Plan, general ordinance guidelines, and an identified need for rental enforcement in the community. This ordinance template was chosen from 11 reviewed by the Ordinance Review Committee because the language was tested and upheld in another community.

Various areas of the ordinance were discussed at length by council and administration. Councilmembers generally supported the need for some type of rental dwelling regulation, but differed in their opinion as to its content and approach to the rental property problems facing the city. Some felt it penalized landlords who maintain their properties, provided cumbersome registration, inspection and compliance requirements, and did not address owner-occupied or vacant single family homes in poorer condition than rentals. Others felt it protected good landlords and gave tenants and the city the necessary tools if landlords were unresponsive, and also refocused efforts on the city's housing stock and neighborhoods.

Council also discussed with the city attorney the legal process for enforcement of blight violations and how it differs from rental unit enforcement. While some property owners who are cited under the blight ordinance will bring their properties into compliance, more is accomplished with a rental enforcement ordinance that carries a misdemeanor conviction. Without the ability to impose more than a civil infraction and fine, violations tend to produce limited compliance and repeat offenders. Rental property enforcement tools enacted in surrounding communities and the success of their programs on improving property appearance were examined. Additional enforcement opportunities may also be created with the adoption of the International Property Maintenance Code.

The authority to develop the language and guidelines for a rental ordinance was discussed. The Planning Commission, Ordinance Review Committee and Council have all been involved in the process. The ordinance will be returned to the Planning Commission as a courtesy to seek their input although the Council has the final authority to act.

Krebs moved, Foley seconded, CARRIED, to introduce the Residential Rental Dwellings Code of Ordinances amendment. Ayes: McCartney, Burns, Foley, Krebs. Nays: LaPorte, Cedar.

Resolution No. 11-12 - Approving MDOT Construction Contract for Clinton Avenue Streetscape Project

RESOLVED, that Contract #11-5465 between the Michigan Department of Transportation and the City of St Clair is hereby accepted.

FURTHER RESOLVED, that Scott Adkins, City Superintendent, and Janice Winn, City Clerk, are authorized to sign said contract for the city.

The resolution is the last step in the process to secure federal funding and define federal participation for the streetscape work along Clinton Ave from Sixth St to Riverside Dr (M-29), including decorative sidewalks, tree plantings, site furnishings, and paved parking areas. Bids are being accepted by MDOT until August 5, 2011, with work expected to start about September 1, 2011.

LaPorte moved, McCartney seconded, CARRIED, to adopt Resolution No. 11-12, the Clinton Avenue Streetscape Project MDOT Construction Contract Resolution. Ayes: McCartney, Burns, Foley, Krebs, LaPorte, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Street Millage Discussion

City Superintendent summarized the various options for financing improvements to city streets and reviewed the differences in cost for bonding vs standard street millage. Issuance of a bond would give administration the ability to complete multiple improvements in the shortest amount of time (1-3 years). An annual street millage would only produce a limited amount of yearly income (3 mills generates approximately \$290,000) over the life of the millage, and projects would have to be done one street per season (selected on a worst-first basis) equal to the total annual millage amount collected.

A schedule of debt service and millage requirements showing examples of a \$5 million, \$7.5 million, and \$10 million dollar bond amount and related payments and millage calculations on each for a 10, 12, and 15 year term were prepared by the financial consultant. Council evaluated the payment schedules and assumptions, including the average annual fiscal year millage requirement over the life of the bond issue, the purpose and millage amounts of current bond issues and their expiration, and the related cost to the average property owner in taxes for a home valued at \$200,000. Although there are various bond issues expiring from 2014 to 2016, there is no extra money available when these payments are no longer due because of shortfalls in the funds being used to repay the debt, and declining tax revenue.

Council also received a petition signed by residents of Thornapple St requesting creation of a special assessment district to install curb, gutter and paving from Ninth St west to the cul-de-sac. Administration cautioned that the special assessment option might not be feasible since the city can no longer front the money for these projects from its budget reserves. City superintendent reviewed a list of streets ranked by condition in the most recent study that are proposed to be improved under the bond issue. Major streets were completed during the first phase of street improvements in 2005 and approximately \$5.9 million in road work remains. The need to coordinate infrastructure improvements with the road work and to design a larger street project to reduce cost was identified.

After looking at the options, it was determined that the \$7.5 million dollar bond for a period of 10 to 12 years was the best possible option to complete the improvements. It is estimated that this amount for 12 years would cost each household \$493/year. City superintendent indicated that a decision needed to be made on which option would be chosen in order to meet election deadlines for a ballot proposal to be placed on the November ballot.

Comments were received from Bill Klieman objecting to the continued taxing of residents for street improvements for these and other city projects, and questioning the millage dedicated for road improvements. Residents are currently paying 1.5 mills for roads, and the average overall millage rate for the proposed bond issue over the term is 3.7785 mills.

McCartney moved, Burns seconded, CARRIED, to direct the city attorney to draft proposed ballot language to present a \$7.5 million dollar bond proposal for a not to exceed 12 year term for local road improvements to be submitted to voters at the November 8, 2011 city election. Ayes: Burns, Foley, Krebs, LaPorte, McCartney, Cedar. Nays: None.

Strategic Plan Workshop Discussion

The Strategic Plan Workshop Review with SEMCOG representative Naheed Huq will be held August 15, 2011 at 6:00 pm at the Municipal Building. Action areas, successes, and status of implementation of the plan will be addressed.

City Attorney – None.

City Departments

Police Chief – St Clair Riverfest Recap - City Superintendent advised that the St Clair Riverfest offshore boat race weekend was successful with no major incidents reported.

Authority, Board, Commission, Committee Chairman or Council Representative

Harbor Commission (Member McCartney) – Details of the first annual Mardi Gras weekend held August 5-7, 2011 at the St Clair Boat Harbor were announced.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Extend Audit Service Contract

Council received a memorandum from the city accountant dated July 27, 2011, recommending the city extend the contract for annual audit services with Abraham & Gaffney, PC for the 2011, 2012, and 2013 fiscal years. The proposal of \$44,700 for the three year term, or \$14,900 per year, is unchanged from current prices. Reasons for the recommendation were that quotes received from other companies were much higher, and service of the current firm has been good.

LaPorte moved, McCartney seconded, CARRIED, to accept the city accountant recommendation, waive the competitive bid process, accept the \$44,700 proposal of Abraham & Gaffney, PC, and extend the annual audit services contract for the fiscal years ending September 30, 2011 2012, and 2013.

CLAIMS AND ACCOUNTS – July 21 & 28, 2011

Check registers listing the bills for the period ending July 21, 2011 (check numbers 30521 ->30577), and July 28, 2011 (check numbers 30578 ->30632) were presented for Council review.

LaPorte moved, McCartney seconded, CARRIED, to approve payment of July 21 & 28, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Mayor Cedar announced details of the lighted boat parade taking place as part of the St Clair Boat Harbor Mardi Gras weekend.

Appreciation was extended to all those involved in the success of the St Clair Riverfest Offshore Boat Race activities.

Member Foley announced that the Sears retail store has relocated to the Riverview Plaza.

ADJOURNMENT at 8:43 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, AUGUST 15, 2011 - 6:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

STRATEGIC PLANNING WORKSHOP REVIEW – Naheed Huq, SEMCOG

Mayor Cedar convened the Strategic Planning Workshop of the City Council to order in the Council Room of the Municipal Building at 6:05 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Krebs, LaPorte, McCartney.

ABSENT: Member Kindsvater.

ADMINISTRATION: Scott Adkins, City Superintendent; Janice Winn, City Clerk.

AUDIENCE: Bill Klieman, Nancy Beaudua, Ann Doerr, Dan Lockwood.

ALSO PRESENT: Naheed Huq, SEMCOG

Update on Strategic Planning Process

City Superintendent indicated that a six month review of the St Clair Strategic Plan was being held to assess the status of implementation of action steps and identify remaining challenges.

SEMCOG representative Naheed Huq briefed Council on developments with SEMCOG since the last meeting, including the launching of a Southeast Michigan “Creating Success Project” that evaluates outcomes and determines the need for a Strategic Plan, and a new administrative structure for the organization that will assign her the responsibility of providing assistance to communities with the implementation of these plans. Because St Clair has already undertaken the process, many of the desired components are already in place.

An evaluation of each category and the 21 action areas of the Strategic Plan was performed and updated by each councilmember or administrative “champion” and a determination made of their relevance, challenges, and action steps needed to further the goal. Major areas covered were Expand Business, Commercial, and Industrial Tax Base; Improve City Services and Infrastructure; Strengthen Emergency Preparedness; and Enhance and Promote Quality of Life. Many of the obstacles for implementing the action steps mentioned focused on funding, coordination of resources, communication, and personnel availability to perform the tasks.

Council was complimented for the positive achievements and rate of change accomplished with the plan in the past six months. Another six month review and follow-up will be conducted in Spring 2012.

The Strategic Planning Session ended at 6:58 pm. The meeting was recessed following the Strategic Planning Session and reconvened at 7:00 pm.

REGULAR SESSION

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Janice Winn, City Clerk.

AUDIENCE: There were 16 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

Mayor Cedar summarized the Strategic Planning Workshop Review, including the status of the process to date, and challenges and action steps identified to put the plan into operation.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Foley seconded, CARRIED, to approve Consent Agenda item A., as presented.

A. City Council Minutes of August 1, 2011 Regular Meeting: Approve

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-07 - Amendment to Code of Ordinances, Chapter 34, Cost Recovery for Emergency Responses

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 34 OF THE CITY CODE OF ORDINANCES BY THE ADDITION OF ARTICLE IV. COST RECOVERY FOR EMERGENCY RESPONSES

Council received a proposed ordinance reintroduced at the July 18, 2011 meeting to allow the city to recoup costs associated with certain emergency response services in the event of criminal or negligent activity. No changes were made to the ordinance since its reintroduction on August 1, 2011. Superintendent acknowledged communication received from Senator Phil Pavlov, who had been contacted by AT&T regarding their objections to the ordinance.

LaPorte moved, McCartney seconded, CARRIED, to adopt Ordinance No. 2011-07, the Cost Recovery for Emergency Responses Code of Ordinances amendment. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance No. 2011-08 – Amendment to Code of Ordinances, Chapter 14, Adoption of the International Property Maintenance Code

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO ADOPT THE INTERNATIONAL PROPERTY MAINTENANCE CODE

Council received a proposed ordinance introduced at the August 1, 2011 meeting to regulate and govern the conditions and maintenance of property, buildings and structures in the city, and to strengthen enforcement of property violations to ensure that structures and property are safe, sanitary and fit for occupation and use.

McCartney moved, Krebs seconded, CARRIED, to adopt Ordinance No. 2011-08, the International Property Maintenance Code Adoption Code of Ordinances Amendment. Ayes: Kindsvater, Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance Introduction – Amendment to Code of Ordinances, Chapter 58, Article III, Parking

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 58, ARTICLE III – PARKING, BY ADDING SECTION 58-28 TO PROHIBIT PARKING ON CITY RIGHTS-OF-WAY AND ADDING SECTION 58-29 TO DEFINE PARKING SPACE

Council received a proposed ordinance to regulate parking in the public rights-of-way and provide

other guidelines for residential parking purposes. A similar ordinance was originally introduced in 2007 but was never adopted, and then subsequently returned to the Ordinance Review Committee and Planning Commission for review. The ordinance adds a new Section 58-29 to define parking spaces for residential purposes as to size, location, and prohibited parking in the front yard. The Zoning Administrator can determine exceptions on a case by case basis if no suitable alternative exists.

Council discussed how specific parking scenarios would be handled under this ordinance. Member LaPorte questioned parking for commercial properties. Existing approvals would be independent of this ordinance and extenuating circumstances will be considered on a case by case basis by the Zoning Administrator and Planning Commission. Exceptions to the Snow Ordinance will be made to allow parking within the right-of-way for declared snow emergencies. Parking across sidewalks, which is a violation of the Motor Vehicle Code, would be allowed on a short term basis but obstruction of sidewalks is prohibited.

LaPorte moved, Krebs seconded, CARRIED, to introduce the Chapter 58, Article II, Parking Code of Ordinances Amendment. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None.

Resolution No. 11-13 - Calling Election and Submitting Bond Proposal for Street Improvements

RESOLVED, That the Resolution Calling an Election on Tuesday, November 8, 2011 and submitting the following proposition to a vote of the qualified electors of the City, be approved:

LOCAL AND MAJOR STREET IMPROVEMENTS BOND PROPOSAL

Shall the City of St Clair, County of St. Clair, Michigan borrow the principal sum of not to exceed \$7,500,000 and issue its general obligation unlimited tax bonds therefore payable in not to exceed twelve (12) annual principal installments, for the purpose of paying the cost of acquiring and constructing local and major street improvements throughout the City, consisting of paving, repaving, reconstructing and improving streets, including necessary rights-of-way, sidewalks, proper drainage facilities and all necessary appurtenances and attachments thereto for the use of the City? The estimated millage to be levied in 2012 is 1.8757 mills (\$1.8757 per \$1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 3.7785 mills (\$3.7785 per \$1,000 of taxable value).

FURTHER RESOLVED, that the City Clerk is directed to carry out the publication and election related duties outlined in the Resolution.

City Superintendent explained that the ballot language prepared by bond counsel to be submitted to voters at the November 8, 2011 City General Election coincided with the terms selected by council and outlined in the estimated debt schedule from financial consultant Bendzinski & Co. The principal, interest and millage requirements to be levied in 2012 and an average annual millage required over the life of the bonds for the improvements was reviewed. An updated pavement investigation report based on ranking and preliminary estimate of street repairs was reviewed by the City Superintendent showing the estimated total repair cost for 70 streets of \$5.9 million dollars. These streets all have a rating below the recommended street standards. A complete list of streets, cross streets, and individual and total cost figures will be compiled for public informational purposes.

Member Krebs questioned the inclusion of a reference to major streets in the ballot language. City Attorney explained that the while no major streets are going to be paved, roadwork may transition major street intersections, as well as include sidewalks and drainage improvements.

Members Foley and Krebs asked that detailed public information about the bond proposal, millage requirements, and debt retirement schedule be provided to voters before the election. Mayor Cedar indicated that public forums and mailings will be planned to address questions regarding the list of streets and the financial impact on residents, and that information would be provided to residents to assist them in making an informed decision.

Tim Wiley, 1560 N Delano St, discussed the street rankings and priorities identified in the 2005 street bond issue and whether the remaining streets from that program would be incorporated into the current bond issue. Only a portion of N Delano St was repaved at that time and he wondered whether the remainder of the street would be finished under this project. City Superintendent indicated that the 2005 bond issue approved \$3.5 million for major streets only. The remaining local streets are scheduled to be completed under this program, with N Delano ranked #7 on the list. Mr Wiley also commended council for adopting the cost recovery ordinance for emergency purposes as good policy, and recognized the actions of residents and emergency personnel who assisted his family with a May 17, 2011 fire in their home.

Bill Klieman, 1374 S Riverside Ave, questioned the debt retirement schedule for years 2-12, whether it included all taxable property in the city, and how taxes would be calculated on abated properties.

McCartney moved, Foley seconded, CARRIED, to adopt Resolution No. 11-13, the City of St. Clair Street Improvements Bond Proposal and Election Scheduling Resolution. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Schedule Workshop Meeting Regarding Rental Inspection Ordinance

The rental inspection ordinance was forwarded to the Planning Commission for input and review with a report expected by September 1, 2011. The need for a Council workshop or special meeting to discuss their findings was suggested.

LaPorte moved, Kindsvater seconded, CARRIED, to schedule a Special Workshop Session on the proposed Residential Rental Dwellings and Rental Units ordinance on Monday, September 12, 2011 at 6:00 pm at the Municipal Building.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Petition to Create Special Assessment District for Thornapple St Improvements

Council received a petition signed by residents requesting the creation of a special assessment district for street improvements on Thornapple St from Ninth St west to the cul-de-sac. While the petition appears to have the necessary signature requirements to move forward, administration recommends waiting until after the November election results on the bond proposal are known.

Member Krebs questioned the construction timetable for the project if delayed. Even if the special

assessment district project proceeds, construction would probably be delayed until spring because of weather. Member McCartney questioned the priority ranking of the street on the pavement investigation report, which is #12 or #13 on the list.

McCartney moved, Kindsvater seconded, CARRIED, to accept the Thornapple St special assessment district petition and delay any further action until after the November 8, 2011 General Election.

Confirm Appointment to Pine Shores Golf Commission

Kindsvater moved, McCartney seconded, CARRIED, to confirm the Mayoral appointment of John Innaimo, 1721 N Delano St, to complete the balance of a four year term on the Pine Shores Golf Commission expiring December 31, 2012.

Approve Issuance of Special Events Permits for Blue Water Center for Independent Living Kick Ball Tournament, St Mary's Church Fall Festival, and St Peter's Lutheran Church Oktoberfest

Council received correspondence from the Police Chief recommending issuance of special events permits to conduct the Blue Water Center for Independent Living kick ball tournament to support people with disabilities on August 27, 2011 from 7:00 am to 8:00 pm at Klecha Park; to conduct the St Mary's Fall Festival on church grounds, including closing of Orchard St between Sixth & Eighth Sts on September 23, 2011 from 4:00 pm – 12:00 am, September 24, 2011 from 12:00 pm – 12:00 am, and on September 25, 2011 from 12:30 pm – 9:00 pm; and to conduct the St Peter's Lutheran Church Oktoberfest on church grounds on October 8, 2011 from 3:00 pm – 11:00 pm. All requirements of the Special Events Ordinance have been met and approval is recommended.

LaPorte moved, Kindsvater seconded, CARRIED, to grant the Blue Water Center for Independent Living, St Mary's Church, and St Peter's Lutheran Church special events permit requests.

CLAIMS AND ACCOUNTS – August 4 & 11, 2011

Check registers listing the bills for the period ending August 4, 2011 (check numbers 30633 - >30688), and August 11, 2011 (check numbers 30689 ->30744) were presented for Council review.

Member Burns questioned the DDA expense for the Come to St Clair program. DDA Chairman Lockwood explained that this is an enticement program funded by private foundations to attract business to the community.

Member Foley questioned the portable toilet service for boathouses. This cost is passed on to the boathouse owners in the boathouse lease rental fee.

Member Krebs questioned the lawn maintenance contract for the cemetery. Additional charges were included to cut Sections 4 and 7 twice a week in the spring because of long grass, and for a fuel surcharge increase. Outstanding problems have been addressed by the contractor. The city is also looking at a comprehensive tree removal program there this year.

Member Burns questioned coordinated purchasing by departments for hardware items through Lumber Jack and payment for Mardi Gras musical entertainment.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of August 4 & 11, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Werner Vethacke, 1417 Oakland Ave, questioned the timetable allowed for demolition of a burned residential home at the corner of Fred Moore Hwy & Clinton Ave. A change of ownership and a lot split caused some delay but work is now proceeding and should be finished soon.

Harold Bohm, 601 N Riverside #4, regarding the impact of the proposed residential rental unit ordinance on condominium properties. Mr Bohm suggested Council consider various factors before adopting the ordinance, including the potential hardship it could create for responsible landlords, safety issues and appearance of many single family homes along with rental properties, and costs landlords must pass on to tenants associated with the rental inspection process. City Superintendent Adkins noted that the International Property Code gives the city an enforceability factor for all properties, and the ordinance would not apply to condominiums unless they are rental properties.

Police Chief Jefferson reported that the offshore boat races this year were the most uneventful in the 17 years of the event being held in St Clair. He also asked for help in identifying the driver of a vehicle involved in a bicycle/vehicle accident at the intersection of Vine and Carney Drive. Anyone with information was asked to contact the Police Department.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Mayor Cedar complimented the St Clair Boat Harbor on a successful Mardi Gras weekend and lighted boat parade. The public event will be held again next year.

ADJOURNMENT at 7:37 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
TUESDAY, SEPTEMBER 6, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, LaPorte, McCartney.

ABSENT: Member Krebs.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Mike Booth, Accountant; Janice Winn, City Clerk.

AUDIENCE: There were five persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

Kindsvater moved, Foley seconded, CARRIED, to record the absence of Member Krebs as excused.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., B., C., D., E., and F. as presented.

- A. City Council Minutes of August 15, 2011 Regular Meeting: Approve
- B. Board of Cemetery Trustees Minutes of June 21, 2011 Meeting: Receive
- C. Downtown Development Authority Minutes of May 19, and July 21, 2011 Meetings: Receive
- D. Historical Commission Minutes of July 14, 2011 Meeting: Receive
- E. Notice of Public Review for Proposed Parks, Recreation and Open Space Master Plan: Receive
- F. Designation of Voting Delegate to Michigan Municipal League Annual Meeting: Appoint City Superintendent as Official Representative

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-09 – Amendment to Code of Ordinances, Chapter 58, Article III, Parking

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 58, ARTICLE III – PARKING, BY ADDING SECTION 58-28 TO PROHIBIT PARKING ON CITY RIGHTS-OF-WAY AND ADDING SECTION 58-29 TO DEFINE PARKING SPACE

Council received a proposed ordinance introduced at the August 15, 2011 meeting to regulate parking in the public rights-of-way and provide other guidelines for residential parking purposes. Procedures for handling specific hardship exceptions and snow emergencies were explained.

LaPorte moved, Foley seconded, CARRIED, to adopt Ordinance No. 2011-09, the Chapter 58, Article II, Parking Code of Ordinances Amendment. Ayes: McCartney, Burns, Foley, Kindsvater,

LaPorte, Cedar. Nays: None.

Ordinance Introduction - Amendment to Code of Ordinances, Chapter 18, Article II, Licensing of Business Establishments

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 18, ARTICLE II, LICENSING OF BUSINESS ESTABLISHMENTS, BY AMENDING SECTION 18-37 TO MAKE A VIOLATION OF THE SECTION A MISDEMEANOR

Council received a proposed ordinance to change the penalty for non-compliance with business registration requirements from a civil infraction to a misdemeanor to address problems with businesses that blatantly refuse to comply with licensing regulations or ignore civil infractions issued to correct code violations. Council discussed the revised fee structure associated with the new penalty provision and application of the ordinance to multiple businesses within a single location.

LaPorte moved, Burns seconded, CARRIED, to introduce the Chapter 18, Article II, Section 18-37 Licensing of Business Establishments Code of Ordinances Amendment.

Ordinance Introduction – Amendment to Zoning Ordinance, Article 6, Temporary, Special Event Signs

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND ARTICLE 6, SIGNS, SECTION 6.4, OF THE ST. CLAIR CITY ZONING ORDINANCE

Council received a proposed ordinance to regulate temporary and special event signage by defining type, placement, and installation for commercial signs. The amendment is the last of a series of sign ordinance issues that were addressed by the Planning Commission.

LaPorte moved, Kindsvater seconded, CARRIED, to introduce the Article 6, Temporary, Special Event Signs Zoning Ordinance amendment.

Ordinance Introduction – Granting Franchise to SEMCO Energy, Inc

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN GRANTING A FRANCHISE TO SEMCO ENERGY GAS COMPANY

Council received a proposed ordinance granting a 30 year franchise to SEMCO Energy, Inc for natural gas distribution in the City of St Clair. Changes to state statutes regarding utility franchises and regulation of the use of public rights-of-way by the Metro Act since the last franchise expired in 2007 were considered when drafting the new agreement. The length of the agreement and fee calculations incorporated under the state's Metro Act were discussed. The franchise agreement meets all statutory guidelines and implementation is recommended.

Burns moved, Kindsvater seconded, CARRIED, to introduce the SEMCO Energy, Inc Franchise Agreement Ordinance.

Resolution No. 11-14 - Amending 2010-2011 Annual Budget

RESOLVED, that the revised list of expenditures for the 2010-2011 budget, attached as "Exhibit A" to this Resolution, be approved effective September 30, 2011.

The City Accountant submitted a list of proposed amendments to the 2010-2011 annual budget containing a list of funds requiring amendment prior to the end of the fiscal year. Adjustments to the General Fund budget including a \$48,000 increase to revenues and \$340,658 increase to expenses

are recommended to bring accounts into balance and insure that the City will be in compliance with state law governing municipal budgeting. Overall, the General Fund fund balance was decreased by \$292,658, leaving the city with a projected undesignated fund balance of \$563,400 at year end.

Reasons for budget transfers and amendments for various General Fund revenue and expenditure line items were explained by the City Accountant in detail in an outline distributed to council. The largest expenditure increases were Operating Transfers Out (\$255,000), followed by Recreation Maintenance (\$76,350) and Public Works (\$72,045). Wage and equipment costs for Public Works and Recreation/Parks labor associated with maintenance of the bikepath, skatepark and little league park were major contributors. While wages for development of these parks were realized in the 2009-2010 budget, the city is now bearing significant labor costs outside of the scope of donations for maintenance and extra finishing costs associated with operating these parks.

The Major and Local Street funds, Pine Shores Golf Course, Water Fund and Harbor Fund were reviewed separately and budget trends explained. The golf course is not expected to be profitable this year and may need an additional transfer in to offset the deficit. The rate increase approved by council earlier this year for the Water Fund should place this fund in a positive cash flow by the end of the year. The Harbor Fund cash balance was reduced by half since last year, and if efforts to lower expenses and increase revenues are not achieved, this fund will be in the same deficit position as the golf course. The City Superintendent explained action steps being taken to reduce expenses at the golf course for the 2012 season, including changes to seasonal pass rates and staffing. The harbor is also looking at staff realignments and other ways to offset operating expenses. The street funds were impacted this year by the unanticipated expense for the St Clair Highway slope stabilization project, and costs for the Clinton Ave streetscape project which won't be reimbursed until next fiscal year.

Councilmembers discussed specific increases in Public Works and Recreation Maintenance and the allocation of expenses to various line items of the budget. The need to reduce and realign staff (some of which will begin October 1), and prioritize services to address financial shortfalls was mentioned. Administration will closely monitor department operations and may have to consider incremental cuts needed to balance the budget at a future workshop. The importance of creating a capital improvement plan tied to the budget, maximizing opportunities to create solutions to revenue shortfalls, and explore privatization of some city services or limiting or closing park facilities during the winter months were considered.

Cedar moved, Burns seconded, CARRIED, to adopt Resolution No. 11-14, the 2010-2011 Annual Budget Amendment Resolution. Ayes: Burns, Foley, Kindsvater, LaPorte, McCartney, Cedar. Nays: None. RESOLUTION ADOPTED

Resolution No. 11-15 - Approving Request for Charitable Gaming License – Blue Water Soccer Club

RESOLVED, that the request from the Blue Water Soccer Club for a Charitable Gaming License be approved. It is the consensus of this legislative body that the application be recommended for issuance by the Michigan Charitable Gaming Commission.

Burns moved, LaPorte seconded, CARRIED, to adopt Resolution No. 11-15, the Blue Water Soccer Club Charitable Gaming License Request Resolution. Ayes: Foley, Kindsvater, LaPorte, McCartney, Burns, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Street Millage Update – A list of proposed streets to be improved if the November 2011 bond issue passes is available to residents and will be placed on the city's website. A series of public information sessions on the street millage will be held on September 29, October 11 and 13, 2011

as well as a special cable television segment and an informational fall newsletter mailing to residents. Mayor Cedar questioned improvements to Woodlands Dr and the difference in cost between the street millage and special assessment district financing options.

September 11, 2011 Remembrance Program – The public was invited to attend a community remembrance of the tenth anniversary of the September 11, 2001 terrorist attacks on Sunday, September 11, 2011 at 11:00 am at Palmer Park. The program is being coordinated by local clergy, police, and fire department agencies.

State Health Care Reforms – Details of the Hard Cap and 80/20 healthcare legislation (SB 7) that goes into effect on January 1, 2012 were reviewed. The legislation requires public employers to either put a hard cap on health care costs or have an 80/20 cost sharing arrangement or opt-out entirely. The changes could impact labor contract agreement negotiations with AFSCME and POLC represented employees, and if the city fails to elect an option, could result in a penalty on revenue sharing payments distributed by the state.

Veteran's Memorial Sidewalk – The sidewalk leading to the veteran's memorial in front of Palmer Park Manor has been completed. The project was undertaken as an Eagle Scout project by Tom Anderson.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

Library Board (Member Burns) – The library received a charitable donation and will be selecting projects to complete using these funds. DPW employees may be able to perform some of the work once details about the selected projects are known.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Amendment to Police Chief Employment Agreement

Council received a revised employment agreement between the City of St Clair and Richard Jefferson to perform the duties of Chief of Police. The new contract provides an adjusted annual compensation of \$54,000 and a modified 32 hour scheduled work week effective October 1, 2011 through December 31, 2013. All other terms of the agreement remain unchanged.

Kindsvater moved, McCartney seconded, CARRIED, to adopt the employment agreement between the City of St Clair and Police Chief Richard Jefferson for the period of October 1, 2011 through December 31, 2013 as recommended. Ayes: Kindsvater, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None.

Proclamation Designating American Legion Day

Mayor Cedar proclaimed September 16, 2011 as American Legion Day in the City of St Clair to recognize Legionnaires for their many contributions to the community.

CLAIMS AND ACCOUNTS – August 18, 25 & September 1, 2011

Check registers listing the bills for the period ending August 18, 2011 (check numbers 30745 -

>30799), August 11, 2011 (check numbers 30800 ->30839), and September 1, 2011 (check numbers 30840 ->30868) were presented for Council review.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of August 18, 25 & September 1, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Residents were reminded that trash collection would be delayed one day this week due to the Labor Day holiday.

City Superintendent updated council on the Spring St pump station replacement project. Rehabilitation of the pump is proposed to address long-standing issues experienced during emergency situations. Bids were solicited and the purchase is being delayed until a permit is approved by the MDEQ. The anticipated \$69,000 expense will be taken out of the sewer budget.

Council was reminded about upcoming meetings of the Downtown Development Authority on Thursday, September 8, 2011 at 7:30 pm, and a special council workshop on the proposed ordinance regulating residential rental dwelling and rental units on Monday, September 12, 2011 at 6:00 pm at the Municipal Building.

ADJOURNMENT at 7:56 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**St Clair City Council Meeting
Monday, September 12, 2011
Council Chambers, Municipal Building**

The Meeting was called to order at 6:00 p.m. by Mayor Bill Cedar Jr. at City of St Clair Municipal Building, 547 N. Carney Drive, St Clair, MI 48079. The purpose of the meeting was to conduct a workshop on the proposed residential rental dwelling and rental unit ordinance.

Present: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.
Absent: None
Admin: Scott Adkins, City Superintendent; DJ Boulrier, Building Inspector; Janice Winn, City Clerk.
Audience: There were 18 persons in attendance.

An overview was given of the proposed ordinance designed to regulate the registration and inspection of rental properties. The idea originated two years ago at the Planning Commission, was brought to council as part of the Strategic Planning process and Master Plan, and then forwarded to the Ordinance Review Committee. After committee input and review of 13 model ordinances, the city's planning consultant drafted language for the ordinance that council introduced on August 1, 2011. The goal of the workshop was to get public feedback on the ordinance language and determine whether to proceed, revise, or abandon the ordinance.

Mayor Cedar opened the floor for public comment. Comments were received from the audience both for and against the ordinance from a renter, homeowner, and landlord point of view. Those who spoke were Jean Bastian, 608 Vine St; Donna Zimmer, 60 Hathaway, East China; Sean Cameron, 1260 Jonewood Dr, Marysville; Ted Andrzejewski, 2455 Clinton Ave; James Masterson, 1430 S Riverside Ave; Ken Klieman, 860 S Tenth St; Andrea Brieden, 912 Thornapple St; Donna Cornell, 802 Thornapple St; Sean Lawrence, 422 S Tenth St; Eric Cameron, 408 N Fifth St; Calvin Kaiser, Vine St, and Carol Borne, 403 Vine St. Correspondence was also received from William Robertson, 5201 Fred Moore Hwy, China, MI, who opposed the ordinance as an income-generating measure by the city. Comments generally focused on the following areas:

- Rental properties should not be singled out with special regulations, but all properties, regardless of whether owner-occupied, rental, commercial or industrial, should be uniformly subject to the same building regulations and inspection requirements.
- The city needs to sufficiently enforce the building codes and blight ordinances currently in place rather than adopt a new ordinance.
- The requirement that only licensed contractors can make repairs should be stricken as it presents an unfair hardship to landlords. Many landlords felt they were qualified to perform many of the basic repairs themselves.
- The general condition of homes and the housing market is deteriorating, causing a shift to more homes to be sold as cash sales and converted to rental properties. All homes should be maintained to a standard that benefits the neighborhood and the community as a whole.

Each councilmember and the administration also spoke on the subject, with overall support being given for some type of ordinance to be enacted. City Superintendent and the Building Inspector discussed current ordinance enforcement practices in the city for property violations and ways administration could internally increase the exchange of property information to identify blighted properties. The recently adopted International Property Maintenance Code will also be a useful tool in enforcement of property violations. People were also encouraged to contact the city and report violations, which can be done anonymously.

Suggested modification to the proposed ordinance included the following:

- Uniform application of the guidelines to rental as well as owner-occupied structures, commercial, and industrial properties.
- No-fee registration for rental, abandoned, vacant and foreclosed homes, including the ability to identify someone accountable to make repairs. Fines should be set for initial non-compliance and subsequent violations.
- Heightened code enforcement of existing property maintenance codes and ordinances to prevent blight and maintain the condition of all dwellings in neighborhoods.
- Mandated inspections on properties with registered complaints, permitted improvements, or upon transfer in ownership or at the time of sale of any property.
- Adopt standards to maintain property values in the community and improve neighborhoods.

The comments will be taken under consideration and a revised ordinance prepared for council review.

The meeting was adjourned at 7:37 p.m.

Janice Winn
City Clerk

Bill Cedar, Jr.
Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, SEPTEMBER 19, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: James Downey, Jr, Kane, Clemons, Joachim & Downey; Mike Harrington, Director of Engineering & DPW; Janice Winn, City Clerk.

AUDIENCE: There were six persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., and B. as presented.

A. City Council Minutes of September 6, 2011 Regular Meeting: Approve

B. Historical Commission Minutes of August 11, 2011 Meeting: Receive

ORDINANCES AND RESOLUTIONS – None.

REPORTS FROM ADMINISTRATION

City Superintendent – None.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Award Contract for Spring Street Pumping Station Improvements

Council received a City Superintendent memorandum dated September 6, 2011 recommending Council accept the \$69,582 proposal of Kennedy Industries, Milford, MI and award the contract for the WWTP Spring Street Pump Replacement Project.

Mike Harrington, Director of Engineering & DPW explained that the age and previous problems with the current pumping equipment necessitated replacement. The Kennedy Industries proposal was selected because of its variable speed pump system arrangement resulting in energy savings to the city.

Council members discussed limitations on the competitive bid process that lead to soliciting proposals, engineering cost savings on the project due to engineering being performed in-house (corrected 10-03-11), integration of current equipment with the proposed replacement equipment, a cost break-down of the items comprising the total amount of the proposal, and funding for the project. The item was unbudgeted but the Sewer Fund has adequate funds to support the expense.

LaPorte moved, Foley seconded, CARRIED, to accept the City Superintendent recommendation to waive the competitive bid requirement of the City Charter, accept the \$69,582 proposal of Kennedy Industries, Inc, and award the contract for the Spring St Pump Station Rehabilitation Project. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: Kindsvater.

Request for Right-of-Way Licensing Agreement – Dale Carney Insurance Agency

Council received correspondence from Dale Carney Insurance Agency, Inc dated September 12, 2011 requesting approval to install a sign in the public right-of-way in front of their building at 302 Clinton Ave. Owner Dale Carney addressed council and indicated that the business would be relocating to downtown St Clair from China Township on October 1, 2011. Drawings illustrating the sign and its location east of the lot line, one foot away from an existing planter box at the front of the building that extends 2' from the porch were reviewed by council.

Attorney Downey explained that the sign meets the Downtown Redevelopment District requirements and is permitted within the public right-of-way with council approval. A licensing agreement outlining the terms of the right-of-way use will be necessary as well as Police Department review of the location to insure that traffic visibility will not be impeded at the Third St/Clinton Ave intersection.

LaPorte moved, McCartney seconded, CARRIED, to direct the City Attorney to prepare a Right-of-Way Licensing Agreement between the City of St Clair and Dale Carney Insurance Agency, Inc to allow placement of a business sign at 302 Clinton Ave in the public right-of-way. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None.

Approve Pay Estimate #1 for St Clair Highway Slope Stabilization Project

Council received a memorandum from the Director of Engineering & DPW Mike Harrington recommending payment in the amount of \$207,023.05 to Pamar Enterprises, Inc in accordance with Pay Estimate No. 1 for the St Clair Highway Slope Stabilization project. The road is nearly complete, with reopening expected once shoulder grading and guardrail installation are finished. Five percent of the contract amount (\$12,757.88) will be withheld until project completion.

Engineering bills for design and materials testing and compaction studies associated with the project were questioned as well as the status of the city's insurance claim for the damages. The initial insurance denial has been referred to legal counsel for possible appeal.

McCartney moved, Kindsvater seconded, CARRIED, to approve Pay Estimate No. 1 in the amount of \$207,023.05 and authorize payment to Pamar Enterprises, Inc for the St Clair Highway slope stabilization project.

CLAIMS AND ACCOUNTS – September 8 & 15, 2011

Check registers listing the bills for the period ending September 8, 2011 (check numbers 30869 ->30906), and September 15, 2011 (check numbers 30907 ->30955) were presented for Council review.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of September 8 & 15, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Thomas McCabe, 1925 Sinclair St, regarding enforcement of the Noise Ordinance related to noise coming from Flight Mold & Engineering, Inc, 1940 Fred Moore Hwy. Mr McCabe complained that the manufacturing business is running an exhaust fan which cycles on and off every 5-10 minutes during the night, disrupting his sleep and limiting his ability to open his windows. A petition containing the signatures of 15 neighbors was submitted asking the city to enforce the Noise Ordinance for intermittent noise to force the company to cease running the fan at night or install a buffer wall to diffuse the noise between the industrial business and the adjacent residential neighborhood. Referred to Administration.

Bill Klieman, 1374 S Riverside, regarding the condition of a temporary road repair south of the Carney Dr/Clinton Ave intersection. Referred to DPW.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

The last day for seasonal yard waste collection is November 10, 2011. Collection will resume again in April, 2012.

Information was provided for residents on the DPW schedules for curbside collection of leaves and brush.

ADJOURNMENT at 7:26 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, OCTOBER 3, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte.

ABSENT: Member McCartney.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Janice Winn, City Clerk.

AUDIENCE: There were six persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

Kindsvater moved, Foley seconded, CARRIED, to record the absence of Member McCartney as excused.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda item A., as corrected, and item B. as presented.

- A. City Council Minutes of September 12, 2011 Special Meeting and September 19, 2011 Regular Meeting: Approve

The minutes of the September 19, 2011 regular meeting were corrected to reflect that engineering services were performed in-house for the Spring St pumping station improvements project.

- B. Board of Cemetery Trustees Minutes of August 16, 2011 Meeting: Receive

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-10 – Amendment to Code of Ordinances, Chapter 18, Article II, Licensing of Business Establishments

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 18, ARTICLE II, LICENSING OF BUSINESS ESTABLISHMENTS, BY AMENDING SECTION 18-37 TO MAKE A VIOLATION OF THE SECTION A MISDEMEANOR

City Superintendent explained that changing the penalty to a misdemeanor for non-compliance with business registration requirements is designed for those businesses that refuse to comply with licensing regulations or ignore civil infractions issued for code violations.

LaPorte moved, Krebs seconded, CARRIED, to adopt Ordinance No. 2011-10, the Chapter 18, Article II, Section 18-37 Licensing of Business Establishments Code of Ordinances Amendment. Ayes: Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: Burns. ORDINANCE ADOPTED

Ordinance No. 2011-11 – Amendment to Zoning Ordinance, Article 6, Temporary, Special

Event Signs

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN TO AMEND ARTICLE 6, SIGNS, SECTION 6.4, OF THE ST. CLAIR CITY ZONING ORDINANCE

City Superintendent explained that the ordinance will regulate temporary and special event signage by defining the type, placement, and installation for commercial signs.

Member Krebs requested clarification of lighting restrictions. Lighted signs are permitted but flashing lights are prohibited. Lighting must also meet electrical service requirements of the State of Michigan Electrical Code.

LaPorte moved, Kindsvater seconded, CARRIED, to adopt Ordinance No. 2011-11, the Article 6, Temporary, Special Event Signs Zoning Ordinance amendment. Ayes: Foley, Kindsvater, Krebs, LaPorte, Burns, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance No. 2011-12 – Granting Franchise to SEMCO Energy, Inc

AN ORDINANCE OF THE CITY OF ST. CLAIR, ST. CLAIR COUNTY, MICHIGAN GRANTING A FRANCHISE TO SEMCO ENERGY GAS COMPANY

City Superintendent explained that the ordinance grants a 30 year franchise to SEMCO Energy, Inc for natural gas distribution in the City of St Clair. The franchise agreement meets all statutory guidelines of the Metro Act and implementation is recommended.

Kindsvater moved, Burns seconded, CARRIED, to adopt Ordinance No. 2011-12, the SEMCO Energy, Inc Franchise Agreement Ordinance. Ayes: Kindsvater, Krebs, LaPorte, Burns, Foley, Cedar. Nays: None. ORDINANCE ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

- Administration is consulting with the city attorney on solutions to the noise ordinance complaints listed in a petition filed by Oakwood Subdivision residents living behind Flight Mold & Engineering, 1940 Fred Moore Hwy.
- Plans for the placement of a Fallen Heroes Memorial at Palmer Park Manor are moving forward. Design work has been reviewed and fundraising plans for the monument and a brick paver walkway are underway. Dedication is planned for October, 2012 to coincide with the 50th anniversary of the death of John D. MacDonald, who lost his life while performing the duties of Chief of Police.
- A status report on the St Clair Highway slope stabilization project was received. Shoulder work was delayed because of wet weather conditions, and an area of uneven road surface due to settlement will be repaired by the contractor. The road is now open to traffic while these remaining items are finalized. Bill Klieman, 1374 S Riverside Ave, questioned the responsibility for engineering and inspection on road projects to insure that these types of secondary repairs are avoided.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Renew East China School District Facility Use Mutual Operating Agreement

Council received a memorandum from the Recreation Director recommending renewal of the facility use agreement between the City and East China School District for non-school facility usage for reimbursement of building maintenance and operating costs. Under the terms of the renewal agreement, the city would be required to pay \$3,000 to use school facilities for recreation programs for the period of September 1, 2011 to August 31, 2012. The \$2,500 decrease over the previous year is due to negotiation with the school district and a reduction in offered programs. The cost is incorporated in the budget and is offset by program fees. Approval of the agreement is recommended because of the lack of indoor city-owned facilities.

City Superintendent explained that the city is also working with neighboring communities on shared costs. Members Burns and LaPorte questioned whether programs were self-sustaining. Four programs were eliminated and a regular review of participation and cost will be conducted to make sure programs are covering expenses and to assess usage needs. Member Krebs questioned whether any adjustments were given when the pool facility was unavailable due to mechanical problems. None of the pool closures have been substantial enough to warrant the issuance of a facility credit.

Burns moved, Foley seconded, CARRIED, to approve the East China School District Facility Use Mutual Operating 2011-2012 Renewal Agreement as recommended.

CLAIMS AND ACCOUNTS – September 22 & 29, 2011

Check registers listing the bills for the period ending September 22, 2011 (check numbers 30956 - >31010), and September 29, 2011 (check numbers 31011 ->31053) were presented for Council review.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of September 22 & 29, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Member Krebs questioned a reference in the Board of Cemetery Trustees minutes to edging the columbarium walkways and wondered whether this work should be done by the contracted lawn maintenance company rather than the DPW. This service is not part of the current contract but could be included in future specifications.

CLOSED SESSION – Request for Closed Session to Discuss Strategy Connected with the Negotiation of a Collective Bargaining Agreement with Employees Represented by the American Federation of State, County, and Municipal Employees (AFSCME)

Foley moved, Kindsvater seconded, CARRIED, to recess Regular Session and meet in Closed Session pursuant to Section 8(c) of the Open Meetings Act to discuss strategy connected with the negotiation of a collective bargaining agreement with employees represented by the American Federation of State, County, and Municipal Employees (AFSCME). Ayes: Krebs, LaPorte, Burns, Foley, Kindsvater, Cedar. Nays: None.

At 7:16 pm, Council recessed into Closed Session and resumed Regular Session at 7:55 pm. A discussion was held on whether to add a councilmember to the administrative negotiating team, but no action was taken on the proposal.

Schedule Special Workshop Session

Mayor Cedar asked Council to schedule a special workshop session to discuss budget items, DDA, roads, recreation, and other miscellaneous items.

Cedar moved, LaPorte seconded, CARRIED to schedule a Special Council Work Session on Wednesday, October 12, 2011 at 5:00 pm at the Municipal Building for the purpose of discussing budget issues, DDA, roads, recreation, personnel, and other general items of interest affecting city departments and operations.

ADJOURNMENT at 8:00 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**St Clair City Council Meeting
Tuesday, October 11, 2011
Council Chambers, Municipal Building**

The Meeting was called to order at 5:00 p.m. by Mayor Bill Cedar Jr. at City of St Clair Municipal Building, 547 N. Carney Drive, St Clair, MI 48079. The purpose of the meeting was to conduct a workshop on various items of general discussion affecting city departments and operations.

Present: Mayor Cedar, Members Burns, Foley, Kindsvater (5:05 pm), Krebs, LaPorte, McCartney.
Absent: None.
Admin: Scott Adkins, City Superintendent; Mike Booth, Accountant; Janice Winn, City Clerk.
Audience: There were 17 persons in attendance.

Community Dashboard and Citizen's Guide – City Superintendent explained new state government reforms tied to the city receiving state revenue sharing payments. An economic vitality incentive package has replaced the automatic distribution formula for the funds. In order to receive a portion of the funds, communities have to achieve three criteria 1) a dashboard & citizens guide giving information about the financial condition of the city must be available to the public before October 1, 2011, 2) the city must come up with a plan with proposals to increase collaborative or cooperative agreements by Jan 1, 2012, and 3) new employee compensation criteria and policies must be established for retirement, health care, and other fringe benefits by May 1, 2012.

Accountant Booth summarized the Citizen's Guide and its purpose to provide basic financial information to citizens and identify major unfunded liabilities. The goal is to explain in simple terms the revenues and expenditures by fund and activities, and to show cash balances and how and where the money is being used. A budget comparison of revenues and expenditures by line item for 2010 was shown. The report shows reserves and major fund balances in the General Fund, Major/Local Streets, Recreation, and Building Funds. Financial information for other Enterprise Funds such as Wastewater, Water, Harbor and Golf are excluded. Full-time and seasonal staff reductions have occurred since 2006 and debt levels are trending down but spiked due to the repayment of the industrial park loan which began in 2009. Pension and other retiree benefits liability are 67% funded as of 12/31/09. Retiree health care benefits obligation is underfunded as of 9/30/10 and is in excess of \$10 million dollars.

The EVIP program requirements mandated by the governor were reviewed. Many of the criteria are finished or will be met by the deadlines. There are ongoing discussions for changes and improvements to existing cooperative efforts, expansion of others, and proposals for shared utility services. The city has had open discussion with St Clair County for shared services for various departments and functions, and with neighboring communities on recreation services. Current and past efforts as well as those in process will be outlined. The city wants to adopt a plan tied in with the Comprehensive Plan updates prior to the deadline.

Budget & Financial Overview

New Statutory Requirements (Healthcare, Revenue Sharing, etc) – The requirement for changes to the pension and health care benefits affecting public employers was explained. The city has a large unfunded liability and needs to make changes to its benefits policy. Senate Bill 7 signed by the governor on comprehensive health care changes affects public employers by placing a hard cap on employer costs for health care, stating that they can pay no more than

\$5,500 single, \$11,000 two-person, or \$15,000 family for annual premiums; or the city can also opt in to an 80%/20% payment; or opt out altogether without penalty by a 2/3 vote of council. The hard cap adjustment will be set yearly according to the consumer price index. This directive does not affect retirees or existing union contracts until they expire. Non-compliance with the directive could result in a 10% reduction in General Revenue Sharing payments (approximately \$3,000-\$4,000). The future direction of revenue sharing is unknown and unpredictable, and it may be eliminated altogether. Council discussed current retiree contributions to health care and potential future trends. Both AFSCME & non-union retirees contribute to premiums now although police retirees do not. There may be future policy changes for both union and non-union employees, but contract expiration dates are staggered so they may not all come at once. Also being considered by the governor is the elimination of the personal property tax. The Michigan Municipal League and city both oppose this without a replacement tax in place.

Explanation of Recent Budget Adjustments & FY 2011/12 Changes – City Superintendent explained adjustments to line items in Recreation Maintenance and Public Works. The total amount of the adjustments for the 2010-11 fiscal year was \$340,000, with \$292,000 of that for St Clair Highway and the Fire Authority. The \$49,000 balance was for areas throughout the General Fund. Many of the adjustments made were for unplanned events and expenditures in recreation and public works. He suggested that council look beyond one fiscal year for answers because many times revenues are received in one fiscal year and not expended until the next. Overall, areas of the budget with shortfalls were balanced out by repayment from other transfers in and mechanisms to bring the line items back into check. Those areas were rectified going forward but costs were reflected where they are expended in the current budget to get a true picture of operations. Council discussed the Fire Authority budget and reasons for the difference between budget figures and actual costs. Accountant Booth explained the adjustments made and how any overage was returned to fund balance at year end if not needed. Budget line items are usually overestimated to avoid a shortfall at year end, and the audit is the most important financial tool and best reflection of the city's financial health.

Member Krebs questioned the time frame for the completion of the 2010-11 audit. The audit is completed in late fall and presented to council in December or January. She also asked why budget adjustments aren't made quarterly to better track expenditures and shortfalls. Final year adjustments are the most drastic and many line items are realigned at that time because expenses that occurred throughout the year are more accurately reflected by year end.

Member Burns questioned the reasons for declining revenues in the budget. Figures are estimated because there is constant change because of tax tribunal hearings, cuts in revenue sharing, reduced property taxes, lower interest rates, etc. Normally revenue line items are budgeted low to allow for the inability to forecast and predict what will be received.

Member LaPorte questioned declining revenues and the impact of lower gas tax and property tax payments. City Superintendent indicated that there is usually a gap between revenues and expenditures filled by the General Fund fund balance. The city has been fiscally responsible but cannot predict the economy. As part of the 2011-2012 budget, full-time positions were eliminated in recreation maintenance and public works to make ends meet. Going forward, council will need to decide the level of departments and services to maintain, as well as policy decisions on whether to further eliminate departments and/or personnel.

Member Foley questioned how much Recreation Maintenance and Public Works departments were over budget last year. Administration discussed how DPW employee wages are allocated and distributed across departmental budgets when projects cross department lines. The bottom

line departmental budget figure doesn't necessarily change; only the allocation of funds within the department. Member Foley then asked how there could be a negative cash outlay. Accountant Booth explained budgeting for DPW labor costs is spread among various line items. If there are shortages in one department they are covered by another. Many other activities occur during the year that cannot be predicted in advance, including operating supplies, property damage, etc. While some money is recovered, the rest comes from fund balance, contributions, or other sources such as the DDA.

City Superintendent explained that maintenance of the large amount of city-owned park property (125 AC) and park facilities also weighs heavy on the budget. Costs are estimated but many unanticipated expenses are incurred for parks and public activities throughout the year. The city tries to anticipate as best as possible at budget time for all events but cannot predict everything.

Member LaPorte suggested the need to cut additional staff and programs if revenue shortfalls are too great rather than taking additional money from the General Fund fund balance. Some positions were already cut in this fiscal year and others will be considered moving forward

Member McCartney asked for further explanation of why Public Works and Recreation Maintenance budgets required such large adjustments. Sometimes there is a crossover with Public Works doing park maintenance and realigning funds becomes necessary. Many functions involve multiple steps and therefore many related costs. Accountant Booth explained that the budget numbers in 2011-12 are more in line with actual revenues and expenditures. Member McCartney questioned DDA contributions for downtown flowers, which amounted to \$1,400 this year for bridge boxes only. Accountant Booth also noted that the DDA paid the city \$13,000 for overhead for administrative expenses to cover the city's costs involved in their support. The city also tries to secure employees through funded grant programs but has to hire them as private contractors when those funds dry up. Budget expenditures are monitored closely because there is no way of knowing when emergencies will arise. Many times funds budgeted for a particular project roll back into fund balance if the projects aren't done or are completed under budget.

Member Burns questioned whether department heads were monitoring expenses and cutting or deferring costs wherever possible. Procedures are changing to provide for more accountability and planning for the long term and the city is functioning better on spending than before.

Mayor Cedar questioned specific budget amendments for Recreation Maintenance (\$76,000) and Public Works (\$72,000) and what comprised those figures. The bulk of the adjustments were for wages, but there were other expenses for equipment rental, operating supplies, and repair and maintenance. Unanticipated maintenance and personnel costs for activities such as leaf collection, snow removal, and special events also spike wages, and many personnel costs were previously covered under government grant programs which are always subject to elimination. There are fewer employees in public works now and more in parks maintenance but the overall amount is the same – only the classification of their work changed.

Member LaPorte questioned whether the city should consider reduction of the Recreation Director position to part-time. City Superintendent indicated that this is a policy decision of council whether to cut city services in one area to provide services in another. The city superintendent discussed ways to cut costs in the Recreation Maintenance and Public Works departments, such as not plowing bikepaths in the winter, or scaling back on flower baskets and other non-essential services in the summer. It is a policy issue whether to grant special events permits without incurring overtime costs in the police department. Administration tries to budget

the best way possible based on the number of events held and other police department activities.

Mayor Cedar noted that Recreation Administration and Recreation Maintenance budgets cover separate functions. The city used to allocate money to other departments after-the-fact from recreation but now charges expenses to the proper account when the expense is incurred. It is not always possible to bridge the gaps and many items were unbudgeted.

Future Budget Considerations

Recreation/Little League – Little League facilities are maintained by the city and the organization funds its own operations, mainly through donations. The city supports the operation of the park facility on Fred Moore Hwy and does not budget all costs back to Little League such as liability insurance, driveway, and street lighting. These are the same fixed costs maintained for other parks and costs that will always be present whether Little League occupies the property or not. Currently Little League is not charged anything to maintain Klecha Park ballfields. Member Foley asked council to decide their role in paying for expenses such as gas, porta-johns, trash collection, fertilizer, and chalking the fields which are now being incurred by Little League but were paid for or done by the city in the past. Participation fees will either have to be raised to meet their budget or support for Little League will have to be increased. The townships don't contribute to operation costs even though they make up more than 50% of the players, and there is no surcharge for township residents to participate in programs. Member McCartney questioned the Little League's future plans for Klecha Park. There have been discussions about cemetery expansion, a pocket park or other uses, but there is no timetable for a transition plan. Future use of this property will be addressed in the Recreation Master Plan.

Roads – The second of three informational meetings on the road bond proposal is scheduled for today. City Superintendent advised that the city was not putting extra money into roads because of decreased gas tax revenue, which is an issue that has to be addressed by the state. Revenue in the Major Street Fund is generated from property taxes and the gas tax, and expenses exceed revenues. The City is shifting money from the General Fund to support streets to pay for routine maintenance items such as plowing, sweeping, and cold patch of streets. The road bond proposal is being submitted to voters at the November election to provide funds for reconstruction that are not otherwise available in the budget.

Personnel/Wages – City Superintendent noted that in the past five years, full time employee numbers have decreased from 40 to 35; part-time from 90 to 68 and future changes are anticipated. It is difficult to cut jobs and see the impact on families but it is necessary to combine costs wherever possible. Positions were left vacant (WWTP, DPW) following retirements, and a \$120,000-\$130,000 reduction in engineering costs was realized by hiring a combined director of public services/engineer on staff. Seasonal operations are also decreasing due to restructuring and reductions in personnel. City Superintendent cautioned council not to reduce numbers to a point that it negatively impacts services which will in turn impact revenue. The police now have a tiered compensation system over a five year period as well as different pension and health care benefits. Administration will look at implementing the same structure with AFSCME and other non-union employee groups. No wage increases are proposed other than those specified in union contracts. Non-union employees will have to contribute more towards fringe benefits moving forward.

Member Kindsvater questioned the assessment of engineering cost savings. City Superintendent indicated that the number represents an average of general engineering and fund balance contributions now compared to before, excluding major projects. The engineer is

also performing services for surrounding townships. Council asked to see the cost savings figures and revenues received to be able to track the position and any related savings.

Mayor Cedar supported wage cuts for employees and asked whether city wages and benefits were in line with similar size communities. Wages are a large part of the budget and expenses need to be cut back. The MML wage study information is available for comparison purposes. Member Burns supported wage cuts for employees and requiring departments to be proactive to reduce expenses. City Superintendent indicated he would follow through with the policy decisions of council and approach departments about further cuts to their budgets.

Comprehensive Master Plan Update – The city has been utilizing the services of Carlisle-Wortman to update the Community Master Plan and the process is well underway. As part of the plan, the city is now required to create a capital project list and budget requirements needed to support it.

Downtown Development Authority Items and Interactions – Member Kindsvater questioned the role of the DDA in project development and maintenance. The DDA provides the funding when many projects are launched, however the city is then left with the costs of maintaining what was created. Council has the authority to approve the DDA budget and if there are items in the DDA plan that council doesn't agree with, they will have to be addressed. The balance of the DDA discussion items, including current project status reports and communications, were deferred to the October 17, 2011 regular meeting.

Public Comment

Bill Klieman, regarding capturing costs for unforeseen expenses under the special events ordinance and whether the Spring St engineering costs were done in-house or contracted. Some costs were performed by AEW, Inc and the rest performed in-house.

Dick Leeper, 1927 Hugo, regarding the city being more proactive in budgeting for road improvements. City Superintendent indicated that any money that was available has already been spent. Major streets repairs were done with federal grant money, and anything leftover in the General Fund was used for maintenance and patching, leaving no extra funding for reconstruction. There are more needs than available funds and the city needs to prioritize based on availability.

The discussion concluded, there was no action taken on any matter and the meeting was adjourned at 6:49 p.m.

Janice Winn
City Clerk

Bill Cedar, Jr.
Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, OCTOBER 17, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: James T Downey, Jr, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Janice Winn, City Clerk.

AUDIENCE: There were 14 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda item A., as presented.

A. City Council Minutes of October 3, 2011 Regular Meeting: Approve

ORDINANCES AND RESOLUTIONS – None.

REPORTS FROM ADMINISTRATION

City Superintendent

Health Care Reform – The Health Care Reform Act has now been signed into law by the Governor (PA 152 of 2011). By January 2012, a public employer must establish a hard cap for health care costs; opt into an 80/20 cost sharing arrangement instead; or a local government may opt out entirely by 2/3 vote of its governing body. Policy amendments are necessary to implement the changes for city employees and formal guidelines for implementation of the law need to be developed by the state. A decision on which option the city will choose is expected to be made in November.

Government Competition Bill – Legislation has been introduced (HB 4453) that would prohibit government competition in public infrastructure projects. The Bill would restrict city public works employees from performing certain transportation projects, which could result in added costs to the city. Member McCartney questioned the reason for the legislation. City Superintendent anticipated that there exists a perception that public entities were taking work away from the private sector, which counteracts the collaborative efforts being promoted by the state. The Bill will be monitored by the Michigan Municipal League and the city as it progresses through the legislative process.

EDA Activities – Notices were received from the EDA of St Clair County encouraging support from local municipalities as part of a multi-regional collaborative to jointly apply for a Next Michigan Development Corporation (NMDC) designation, an independently established corporation representing a partnership that works to grow a logistics hub around intermodal access points within a region; and announcing the EDA of St Clair County 59th Annual Meeting on November 30, 2011. EDA Executive Director Dan Casey plans to attend an upcoming council meeting to explain the NMDC process and initiatives.

Blight and Ordinance Violations – The first round of citations issued under new ordinances dealing with business licensing, zoning, blight, and parking violations are ready to be delivered. A blight complaint form is now posted on the city's website for reporting violations to the city.

Member Foley questioned the city's blight identification and enforcement practices. All residents and city employees are encouraged to report blight in the community to the Code Enforcement

Officer or Building Department.

Member Burns questioned whether there were any active cases involving the cost recovery for emergency responses ordinance. To date no citations have been issued but there are some pending situations that may warrant that the ordinance be invoked.

Member LaPorte questioned the status of the ordinance regulating residential rental dwellings and rental units. The ordinance will be revised and presented to Council at an upcoming meeting, and council was invited to present their suggestions to the city superintendent for inclusion. Member LaPorte also questioned the timing for levying the road millage if the bond proposal passes in November. Millage would be levied on the summer tax bill unless the tax collection schedule is modified by legislation.

City Attorney – Mayor Cedar questioned the attorney about the status of the St Clair Hwy slope stabilization project insurance claim. The insurance company denied the city's claim for damages on the basis that it does not fit the definition of earth movement in the policy. The attorney will submit a letter of inquiry challenging the denial since subsurface failure, not road surface failure was the cause. Council asked that a contractor representative attend the next meeting to address council and convey their findings. Member Krebs questioned charges for re-striping of the portion of St Clair Hwy in the project area. Some of this cost was included in the slope stabilization contract and the extended areas were covered at city expense.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative

Harbor Commission (Council Representative McCartney) – Concerns were communicated regarding the review process for the Harbor pavilion garage door grant project and available funding for the work. City Superintendent indicated that based on previous direction of the Harbor Commission, bids were solicited and a contract conditionally awarded to L Simons Construction Inc in the amount of \$9,620.00 pending verification of the garage door panel style. Councilmembers questioned the authority of the city superintendent to move forward without final commission approval, and mentioned the future long term financial stability of the harbor as an issue that may warrant a second look before proceeding. City Superintendent noted that since the grant was awarded three years ago by the DEQ, work has been performed in phases on a reimbursement basis and the project is moving ahead under budget. The project must be completed by November 15, 2011 to avoid jeopardizing the grant funding. Confusion over the budgeting process and financial status of the harbor and the protocols for bidding, review, and award of the contract were discussed.

Discussions with DDA/Current Projects Status Report (DDA Chairman Lockwood)

- Two of three boat bollards have been installed on the seawall in Palmer Park.
- The harbor floating dock project is in limbo while state DEQ permits and engineering are finalized. A history of the project and the DDA's financial involvement as well as their role in securing additional foundation support for a public fishing dock in conjunction with the project was explained. Overall, the DDA has received \$70,000 in grant funding for various projects this year.
- Clinton Ave Streetscape – A partnership between the DDA and Historical Commission will allow a walkability feature to be installed as part of the Clinton Ave Streetscape project. Sets of tiles illustrating the history of the shipping industry in St Clair will be placed on pedestals streetside from Riverside Ave to Fred Moore Hwy. Funding from the DSLT and Whiting Foundations will be used to create technology containing the history for each of the 25 ships, the Langell shipyard, and homes of the ships' captains who lived in St Clair.
- Riverview Plaza Redevelopment – A consultant report on the Riverview Plaza study is expected in mid-November.
- WiFi in Downtown Area – Wireless internet service was installed in city parks and certain downtown facilities this summer. Although initially there were some service issues, it appears to be working well. Signs listing the network link will be posted to assist users in connecting to the correct service.
- Riverview Plaza Parking Lot – Member Foley asked if there was any discussion with plaza

owners about the city purchasing the mall parking lot or the mall center courtyard. There has been no activity pending the outcome of the consultant report and financing options. The mayor emphasized that no city money should be used to finance or purchase the mall parking lot, and Member Burns noted the city was not in a financial position to commit funds for this purpose. Chairman Lockwood acknowledged the sensitivity of the issue, but felt the city and the DDA would need to be involved to some degree regardless of the direction taken. The Chamber has initiated concept drawings for a sculpture project in the center courtyard and hopes to hold a public fundraiser to get this project off the ground.

- M-29 Corridor Study - The design promoted by council for M-29 traffic is the only approved proposal at this time. It was learned that the project is not on the MDOT Transportation list and must be included before being considered for funding. Council discussed alternate proposals being presented, state mandates, road ratings, construction and traffic patterns as they related to vehicle, non-motorized, and pedestrian traffic along the state highway.
- New Business Ventures – Both The Cartridge Connection, which recently located on Third St, and Boomerang Kids Resale in the Riverview Plaza are now in business, and there is interest in developing the north side of the St Clair Plaza on Carney Dr. While overall business development is slowing down, there are also many positive things taking place in St Clair.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Approve Issuance of Special Events Permit for First United Methodist Church 5K Run

Council received a memorandum from the Police Chief dated September 27, 2011 containing a recommendation for approval of a special events permit for the First United Methodist Church to conduct a Turkey Trot 5-K run along M-29 and various city side streets on November 5, 2011 from 9:00am-10:00am. The applicant has complied with the necessary requirements of the Special Events Ordinance and issuance of the permit is recommended.

McCartney moved, Kindsvater seconded, CARRIED, to approve issuance of the First United Methodist Church special events permit request.

Approve Issuance of Special Events Permit for Will on the Water Shakespeare Festival

Council received a memorandum from the Police Chief dated October 13, 2011, containing a recommendation for approval of a special events permit for Enter Stage Right, Inc to conduct the Will on the Water Shakespeare Festival on August 11-12, 2012 from 11:00am to 5:00pm in Palmer Park. A separate Palmer Park lease agreement will be prepared by the city attorney to regulate park use for the two day event. Approval is recommended contingent upon the receipt of all necessary documents and compliance with the requirements of the Special Events Ordinance.

Member Burns questioned restrictions on park use during the event. With the exception of limitations on a staging area on the north part of the park, the park will be open for public use during the entire weekend.

McCartney moved, Krebs seconded, CARRIED, to grant approval of the Enter Stage Right, Inc special events permit request.

Proclamation Designating United States Marine Corps Appreciation Day

Mayor Cedar proclaimed November 10, 2011 as United States Marine Corps Appreciation Day in St Clair to recognize the birthday of the Marine Corps and their role in service and commitment to the mission at hand, to each other, to the Corps and to the county in defense of our nation.

CLAIMS AND ACCOUNTS – October 6 & 13, 2011

Check registers listing the bills for the period ending October 6, 2011 (check numbers 31054 - >31112), and October 13, 2011 (check numbers 31113 ->31173) were presented for Council review.

Member Krebs questioned payment for removal of street banners, and charges for pre-hire physicals for seasonal employees, both of which were explained by the city superintendent.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of October 6 and 13, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, 1374 S Riverside Ave, regarding the irregular road surface in the area of the St Clair Hwy slope stabilization repairs. Some settling and compaction have occurred that will be addressed by the contractor and monitored closely by the city. A warranty is in place and contingency funds are being held until all outstanding issues are resolved.

Mary Jane Hay, 1661 Oakland, regarding a FOIA request for information on expenses associated with the offshore boat races, and employment termination costs associated with two former superintendents. She also expressed concern about overall budgeting and government spending.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Member Foley reported recent incidents of vandalism at the St Clair Little League Park on Fred Moore Hwy and asked for help in catching those responsible and preventing future incidents.

Member McCartney, regarding the ability of the city to continue to financially support budgeted projects and services in the current economy. Mayor Cedar asked that a special workshop be scheduled to discuss current budget issues and reports, and engineering cost information. He also invited council to communicate ideas for AFSCME labor contract negotiations and discussed his representation on the city administration's negotiating team.

City Superintendent indicated that there were communication and direction problems regarding the budget and cited differences in how information is presented from an accounting and a budgeting standpoint. Specific budget information and fiscal year impacts showing Parks Maintenance and Public Works line items, engineering cost analysis, and quarterly reports on budget status were requested.

McCartney moved, LaPorte seconded, CARRIED, to schedule a special council meeting on Wednesday, October 26, 2011 at 5:00 pm at the Municipal Building to discuss 2010-11 budget amendments, 2011-12 budget direction, engineering information and quarterly budget reports.

ADJOURNMENT at 8:10 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**St Clair City Council Meeting
Wednesday, October 26, 2011
Council Chambers, Municipal Building**

The Meeting was called to order at 5:00 p.m. by Mayor Bill Cedar Jr. at the City of St Clair Municipal Building, 547 N. Carney Drive, St Clair, MI 48079. The purpose of the meeting was to conduct a workshop to discuss the 2010-11 budget, adjustments to the 2011-12 budget, and quarterly reports on budget information.

Present: Mayor Cedar, Members Burns, Kindsvater, Krebs, LaPorte, McCartney.
Absent: Member Foley.
Admin: Scott Adkins, City Superintendent; Mike Booth, Accountant; Janice Winn, City Clerk.
Audience: There were 20 persons in attendance.

City Superintendent gave a background of the timeframe of the budget process and the components of a typical budget cycle. Budgets are prepared in March and adopted in June for the upcoming fiscal year starting October 1. The budget for the prior year that ends September 30 is audited and the report received the following January. This cycle creates a six month window of uncertainty and projections of new budget revenue and expenses without knowing how the current year is going to finish out. Budget amendments are prepared annually just prior to the close of the fiscal year using the best information available. Occasionally mid-term adjustments are necessary because of a large expenditure. Finances are reviewed monthly to ensure that everything is on track. The budget is always in a state of flux and final figures aren't known until the audit is received. Overall, the city is financially sound and stable.

City Superintendent reviewed the history surrounding annual budget amendments. A framework of a 1% buffer (up or down) to the bottom line is maintained, which this year represents about \$40,000. The city is required to have a balanced General Fund budget, although revenue shifts in street funds or enterprise funds also occur that affect the General Fund. There is always a lag between the final audit figures, the budget, and the start of a new fiscal year.

Discussion of 2010-11 Budget

Fiscal Year Impacts

The FY 2010-11 budget amendments for the General Fund were reviewed. The estimated net change in fund balance at September 30, 2011 was a decrease of \$292,658. For the past 5-6 years the city was still able to contribute to the General Fund fund balance. Since the 2009-10 year, General Fund reserves have been used to support deficits or fund large projects.

Accountant Booth explained the amount of fund balance needed to cover the deficits in the General Fund for the year ended September 30, 2011. The estimated fund balance change is a decrease of \$292,658. There is \$92,000 of wiggle room remaining for additional expenses in the General Fund. There are also some additional revenues that will be realized. Figures will have to be verified by audit but a bottom line of a balanced budget will be met in the General Fund as required by law.

Mayor Cedar questioned areas that expended less than budgeted and where this extra money goes. These funds are used to offset other line items that are over budget. He also asked why certain department expenditures exceeded budgets by so much. City Superintendent indicated that there is confusion and inconsistencies in the answers because many times projects change, a grant was not received, or costs were reallocated to another line item. The Unallocated line item in the General Fund is used as a collective balancing tool for all General Fund operations.

Member Burns questioned Operating Transfers Out. Accountant Booth indicated these were funds that are applied to Major and Local Streets, Golf, City Hall Building Fund construction debt, Recreation, Pension, and Industrial Park. These numbers are predictable and are set during the budget preparation process. The exception this year was the St Clair Highway slope stabilization project which was an unanticipated expense, and the Pension Fund.

Member Krebs questioned why the Recreation Maintenance account was so much over budget and what was driving up the costs.

Member LaPorte questioned the underfunding of the Pension Fund. No contribution to this fund is budgeted in 2011-12 although money may be available to shift to this fund as part of a budget amendment. Previous contributions have funded 67% of the liability which fluctuates based on the number of retirees. Members Krebs and LaPorte favored adding money to the Pension Fund because it is an ongoing, constant expense. Superintendent Adkins noted that the city contributed an adequate amount previously to overlook the contribution for one year and will transfer money back if available once the audit is done. If contributions would have been made to the Pension Fund this year more personnel cuts would have been needed to balance the budget. Superintendent Adkins says this is a policy decision of council as far as city operations and services are concerned. The Mayor asked what changes were made during the years 2006-2010 that caused the absence of a contribution to the Pension Fund during this budget year. Superintendent Adkins indicated it was a combination of cutting expenses and the revenue stream, which has declined due to lower property taxes. Changes can be made during next year's budget preparation or policies can be changed at any time. Everything should be evaluated to explore the outcome of making different combinations of cuts.

Fund Balance – Accountant Booth showed fund balance by year for fiscal years 2006-07 to 2011-12. The city is putting away fund balance at a rate of 15% per year and also is contributing to OPEB. However, the city has been eating into fund balance this year for the St Clair Hwy slope stabilization project and the industrial park obligation. Impacts to the total fund balance reserve are caused by the industrial park loan balance and unused employee sick leave. For the past two years the city has been paying down the General Fund fund balance rather than adding to it as it was in previous years. Efforts have been made to move money in the right directions where obligations exist such as industrial park fund and OPEB.

Member LaPorte suggested that more budget cuts were necessary so that contributions could continue to OPEB, which is an ongoing expense. In 2012 projected expenditures are \$100,000 per year to the industrial park, and \$170,000 to accrued sick leave to meet outstanding debt repayment obligations.

Member Burns noted that trends still project declining revenues for at least one more year. Assessments are expected to be down another 5% this year alone, and some State Revenue Sharing payments have been eliminated or decreased. Legislative changes in personal property tax calculations and distribution are also proposed which will impact our revenue sources.

St Clair Highway Project – \$200,000 for the project was set aside from General Fund fund balance. Final costs are not yet known as the project is not closed out.

Recreation Maintenance – Superintendent Adkins gave a history of the Recreation Maintenance line item. A budget amendment of \$123,000 was done in 2009-10 to provide for the creation of a new position title by that name. Previously the work was being performed under another department and the costs were spread among different budget line items. The first budget amendment was done in 2009 based on financial information. After the audit, it was realized that a shortfall would occur because of allocating personnel wages to the various areas. Now the position is fully funded through Recreation Maintenance. Additionally, part-time seasonal park help positions are also shown in Recreation Maintenance. The adjustment shows positions and costs

where they should be reflected in the General Fund. Enterprise Funds such as Harbor and Golf are not reflected in this budget. Wages, operating supplies, and other outside labor costs are all included in the total. Further adjustments may be needed throughout the year once the audit is received and actual expenses are confirmed. Shifting across line items occurs as the year progresses and most significant changes are in the third quarter of the year.

Member McCartney questioned the Recreation Maintenance budget for 2008-09 of \$159,566 and the large increase to \$300,679 in 2009-10 due to wages and projects and the need for the budget amendment. Knowing of the shift in 09-10, and the shortfalls, why was the proposed budget for 2010-11 reduced again? Wages for certain employees were covered by other areas and seasonal employee wages were not charged to that account. In prior years they were charged to different departments.

Member LaPorte questioned the difference between Recreation Maintenance and Park Maintenance and allocation of costs. Recreation Maintenance is in the General Fund. Recreation Administration covers programs and is a special fund outside the General Fund.

Member Burns questioned overtime for seasonal employees. Overtime does not apply to this employee category. The city used workers through the Michigan Works Program before and now is absorbing those labor costs that were allocated elsewhere or offset by other programs. Reasons for increases are the skatepark in 2009-10 and wages, operating supplies, and equipment costs for maintenance, some of which were unanticipated.

Members McCartney and LaPorte discussed reasons for the \$100,000 transfer in to Recreation Administration from the General Fund. This was to offset wages and facility costs. Most programs are covered through fees; other programs and activities are funded from the General Fund. The Recreation Administration line item doesn't cover most parks. As more acreage and activities are added, more maintenance work is also added. Member LaPorte suggested that it may be time to get out of the pool business because of its age, or reduce the Recreation Director to a part-time position. Transfers have been made to support the activities but council will need to decide whether they want them to continue or if costs should be cut elsewhere.

Member LaPorte felt that there were too many areas included in the Recreation Maintenance line item. Allocation of expenses is based on accounting principles and decisions are not arbitrary. Activities must be charged to the appropriate account.

Mayor Cedar questioned the reason for a \$76,000 amendment in Recreation Maintenance wages. This line item absorbed the bulk of the cost of a personnel shift rather than spreading wages across different departments. In the past, multiple areas were charged; now it all goes into one line item. Situations in the Equipment Pool and Golf Course were explained where wages followed an employee who transferred from one department to another and in another case, wages were shifted and positions backfilled with other seasonal employees with no benefits. Based on performance, the budget, and the audit report, the shortfalls in the 2009-10 budget were right sided in 2011-12.

The Mayor discussed the decline in wages at Pine Shores Golf Course for 2009-10. When the shift occurred, the gain in the budget was absorbed by other employees already in place at the golf course. Now there is less staff and a different wage structure and all of the costs are being charged to the General Fund. In the Equipment Pool, there was a reduction in one area and a shift to another area where costs belonged. In 2010-11 the budget for Recreation Maintenance still existed, but the full-time position was removed and only seasonal positions were kept.

Member Burns noted that the Little League park and skatepark were added to the responsibilities of Recreation Maintenance and more labor was expended to support those facilities. Superintendent Adkins noted that the creation of new parks also creates additional maintenance costs. The biggest

cost for the skatepark and little league park were related to construction. Even though donations were received to support creation of the parks, the maintenance costs still have to be reflected. Member McCartney asked if donations were reflected in the budget. Donations are noted, but many times the money is restricted and can't be used to offset other projects.

Public Works Line Item – The largest shift in this account was due to the elimination of the mechanic position and absorption of those wages in the DPW budget in the General Fund. There are also some other things in this line item that made up the \$72,000 total amendment. Budgets for 2010 and 2011 were compared and moving forward, one full-time position in the DPW is being eliminated in 2011. Member McCartney discussed the comparisons and exactly when wages, utilities, and other costs are known. Within some of the other funds there is money in overhead to replenish the General Fund for expenses.

Engineering Cost Assessment – Superintendent Adkins explained the changes leading up to the cost savings in the engineering position. When supervisors retired in the DPW and Wastewater departments, they were either not replaced, or replaced with an existing employee at a minimal cost. The wages saved were instead used to hire a Director of Public Services and Engineer at an \$8,000 annual cost savings. This gives the city the ability to use the position in a variety of ways and to charge wages related to public works to different funds such as Water, Sewer, Streets and the General Fund. The overall result is a decrease in contractual engineering costs for construction and inspection for major projects. The city is also partnering with St Clair Township on two projects which will cover some of our wage costs and increase shared services. Member McCartney asked if the additional cost savings and decreased outsourced costs for engineering were being tracked. A spreadsheet is being prepared with the information. Council suggested that the full value of engineering services, including wages and fringe benefits, be charged for any services provided to St Clair Township or other municipalities.

Member LaPorte questioned wage savings in the Sewer Fund due to the reductions in Wastewater Department staff. There are now three full-time employees at the Wastewater Plant and one of them was a former DPW employee who transferred. Even though regular wages dropped, retiree health and inflation factors must be considered and any other savings were absorbed by increases in benefit costs.

Mayor Cedar questioned the OPEB expense for 2010-11. Accountant Booth explained that these charges were previously all being paid from the General Fund. Now the Enterprise Funds are being charged directly for their own pension and health care costs rather than being funded from the General Fund fund balance. To continue funding OPEB at previous levels and build reserves in the account, another \$100,000 would be needed from the General Fund. There was no contribution budgeted for OPEB in 2011-12. Accountant Booth explained how the Enterprise Funds are contributing to retirement in a reserve fund with the goal of being self-supporting.

Mayor questioned the engineering arrangement with St Clair Township. The Township has not been billed yet for hours because the first project was just completed and there is no formal agreement in place for services. Mayor Cedar indicated the need to have a formal agreement with St Clair Township and to include all charges for the work.

Adjustments to 2011/12 Budget

Reductions to Achieve Balanced Budget – The 2011-12 budgets show decreases in costs effective October 1, 2011.

Staffing Reductions – Two full-time City Hall positions were reduced to part time; one City Hall part-time position was eliminated; one Recreation Maintenance position is now seasonal; and one DPW full time position was eliminated. Steps were taken to balance the budget moving forward by

capping seasonal employee numbers, and reducing harbor and golf seasonal staffing. Discussion still needs to be held regarding long term pension and health care costs prior to preparation of next year's budget as well as elimination of any positions, programs, or policy amendments. The goal was to rightside the budget this year to avoid large gaps and amendments. Member LaPorte questioned outsourcing other positions in the city. These are dependent on execution of other sharing agreements for services. The rest of the policy decisions need to be made by council to determine future direction.

Member Kindsvater asked that information on the operation of the city pool be presented at the November 7, 2011 meeting.

Member LaPorte asked for engineering cost assessment figures. The estimated average cost for engineering for major streets for the past six years was \$152,000 per year. That amount has dropped to \$10,000. Engineering for Local Streets is \$37,000 per year, and general engineering is \$6,500. Many of the engineering services are being performed in-house and costs have been greatly reduced.

Member Kindsvater questioned whether it was necessary to have the city attorney present at two council meetings each month at \$125 per meeting. While attendance is not required it has been the practice for many years.

Member Krebs questioned why the city is employing a labor attorney for union contract negotiations. City Superintendent mentioned significant changes and confusing and costly changes at the state level going forward that require this type of expertise. While the attorney does not need to be present at every session, there are questions that require his response. The composition of the administrative negotiating team of the mayor, accountant and labor attorney was discussed.

Quarterly Reports on Budget Status – Superintendent Adkins verified that periodic budget reports can be provided but cautioned that they will generate more questions than they answer because of a misunderstanding of governmental accounting standards. It is possible that only certain areas of the budget or departments that carry a large portion of the budget expense need to be reviewed and performance reports and snapshots given of where they stand from time to time. The community dashboard and accounting information are also ways to be educated on city finances. Accountant Booth indicated he could create a dashboard for the General Fund, Major and Local Streets, Golf, Harbor, Water, and Recreation to allow council to track the activity in these funds on a regular basis. Council asked that quarterly budget reports be provided to track the budget process and identify problem funds.

Public Comment – None

General Discussion Items

Member LaPorte questioned how to present additional cuts to the budget. Should department expenditures be reduced 5%-10% across the board? Another workshop may be necessary to discuss how to address decreasing revenues and determine council policy on the direction to take to avoid depleting General Fund reserves.

Member McCartney asked that billable hours for engineering, and the cost of pool operations be topics at the next workshop meeting.

Superintendent Adkins indicated he wanted to review the community master plan at a special joint meeting of Council with the Planning Commission and Recreation Commission. Possible dates were considered and a date will be chosen at the November 7, 2011 meeting.

Member LaPorte asked if citations were issued for business, building code and blight ordinance violations. Those that can be issued were already sent but in some cases, additional ordinance text changes are necessary before any action can be taken.

Member LaPorte questioned the DPW performing work at abandoned homes and city directives for the work. Superintendent Adkins indicated that work is grouped on a quarterly basis and billed accordingly. City Treasurer indicated that bills had been sent once this year already, and another group was just mailed. The need for timeliness of sending bills out and collecting for the work, and receiving contact information for vacant and bank-owned homes was emphasized.

Member LaPorte questioned the status of the residential rental unit ordinance and policy. Revisions are being made and a draft should be ready in November.

The discussion concluded, there was no action taken on any matter, and the meeting was adjourned at 6:49 p.m.

Janice Winn
City Clerk

Bill Cedar, Jr.
Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, NOVEMBER 7, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Rick Jefferson, Police Chief; Michael Harrington, Director of DPW & Engineering; Janice Winn, City Clerk.

AUDIENCE: There were 24 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

Burns moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., B., C., and D., as presented, with the exception of the August 18, 2011 DDA minutes, which were tabled for clarification.

- A. City Council Minutes of October 11, 2011 Special Meeting, October 17, 2011 Regular Meeting, and October 26, 2011 Special Meeting: Approve
- B. Board of Cemetery Trustees Minutes of September 20, 2011 Meeting: Receive
- C. Downtown Development Authority Minutes of August 18, and September 15, 2011 Meetings: Receive
- D. Historical Commission Minutes of September 8, 2011 Meeting: Receive

PRESENTATIONS

Presentation of Donation by Neiman's Market

Fire Chief Dave Westrick and Police Chief Rick Jefferson accepted a \$1,370.08 donation check presented to the city by Bryan Neiman, Neiman's Market. The money was raised during a weekend 9/11 fundraising event held to support emergency first responders.

Presentation on St Clair Highway Slope Stabilization Project

Council received a presentation from Director of Public Services & Engineering Mike Harrington, McDowell Associates geotechnical engineer John Lamb, and Pamar Enterprises representative Steve Brown, addressing concerns with the St Clair Highway slope stabilization project. Shortly after the sheet piling was installed and the road surface paved, a 3/8" settlement and 1/2" spread approximately 20' long in the road was discovered between the new pavement and the shoulder of the road causing the new pavement to pull apart.

Mr Lamb recapped the series of events leading up to the undertaking of the project. In April, after a complex spring freeze/thaw cycle, a slight settlement in the road was discovered causing a slope deflection. The problem escalated and began to undermine the pavement. A slope stabilization

study was undertaken due to concerns of imminent slope collapse, environmental concerns, and health hazards which revealed the first 5'-8' of soil firm, then soft soils for the next 90'-100' of depth. A cantilever steel sheet pile system was designed to act as a retaining wall with the goal of protecting the pavement and preventing a landslide into the river. Following completion of the project, the defect in the road was discovered.

Councilmembers discussed at length with the engineers and contractor the details of the design and construction phases of the project, questioning whether the engineer's design, the quality of the materials, or the contractor's work could have potentially caused the road problems and what corrective action was needed. Technical aspects of the construction were reviewed in detail by Mr Lamb, who projected some horizontal movement during the construction of the road and reconstruction of the river bank. He also felt it would have been impractical from a cost standpoint (\$300,000-\$500,000 additional) to install an anchored tie-back system that wasn't warranted for this job. Since the initial separation, the city has noticed no change in movement of the road or any sheet piling movement, and will continue to measure and monitor the road condition over the winter season. The cracks will be sealed before the winter months and if there is no more movement, only that section of uneven pavement along the shoulder will be ground down and a top course of asphalt applied in the spring. If the problem worsens, then another course of action will be proposed.

Discussion of the St Clair Hwy road issues lead to comments by Tim Wiley, 1560 N Delano St, on whether there was a contingency plan in place if the road bond proposal was defeated by voters in the upcoming election. No formal plan exists at the present time. He also commented on enterprise funding of the harbor and golf course and use of taxpayer dollars to support their operations; and encouraged council to look at other cost saving measures besides layoffs to maintain public safety services in the community.

ORDINANCES AND RESOLUTIONS

Ordinance Introduction – Amendment to Code of Ordinances, Chapter 18, Art II, Licensing of Business Establishments

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 18, ARTICLE II, LICENSING OF BUSINESS ESTABLISHMENTS, BY AMENDING SECTION 18-31 AND ADDING SECTIONS 18-29(a), 18-29(c)(3), AND 18-32(a)(3)

Council received a proposed ordinance expanding the circumstances under which a business license can be denied, suspended, or revoked. Previously the ordinance did not address code violations or unpaid debts as conditions under which a license could be issued or renewed.

McCartney moved, Foley seconded, CARRIED, to introduce the Chapter 18, Article II, Business Licensing Code of Ordinances amendment. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None.

REPORTS FROM ADMINISTRATION

City Superintendent

City Engineer Cost Review – Information in a City Superintendent memorandum dated November 3, 2011 outlining the history and departmental changes that caused the creation of the Director of Public Services & Engineering position in 2009 and its restructuring to include Water, Wastewater, Streets, Parks, Storm Water Operations, and Public Works was reviewed by council. A breakdown of the salary and fringe benefits applied to the position and engineering cost savings projected over the previous contractual services arrangement with consulting engineers Anderson, Eckstein and Westrick, Inc was shown. Council indicated that the information provided did not adequately

address their concerns and asked that administration prepare a comparison of in-house vs contractual engineering costs for two specific projects to be able to define where the actual cost savings were realized.

Council also discussed a shared services arrangement for engineering services with St Clair Township and the need to formalize an agreement and invoice them for the work.

LaPorte moved, McCartney seconded, CARRIED, to direct administration to invoice St Clair Township for 12 hours of engineering work provided by the city engineer at a rate of \$53.03 per hour.

Emergency Alert System – A nationwide test of the emergency alert system will be held November 9, 2011 at 2:00 pm. This is the first time all radio and television systems will be checked concurrently and may cause a momentary interruption in service.

Flight Mold & Engineering – A status report following investigation of the Flight Mold & Engineering, Inc neighborhood noise complaints was received from the City Attorney, concluding that there is no violation of the City's Noise Ordinance.

EDA International Trade Corridor - Background information on the International Trade Corridor will be presented by EDA Executive Director Dan Casey at an upcoming meeting. In addition, there is no new information on a prospective tenant being courted by the EDA for the Range Rd industrial park property.

Fallen Heroes Memorial – Bricks for the walkway surrounding the Fallen Heroes Memorial will be available for purchase in November at a cost of \$50 single, or \$100 double. Special bricks designating police and firefighters will also be offered.

Right-of-Way Parking Violations – The Building Department is working to resolve code violations involving parking in the right-of-way at a multi-family apartment dwelling at Fifth and Vine Sts.

Clinton Ave Streetscape Project – Bids for the project were received by MDOT with the low bid received in the amount of \$254,487.20. The bid award is expected to be made and specific dates on the project timetable forwarded to the city with the contract documents.

City Attorney – None.

City Departments

Recreation Director – Pool Operations – Financial information on pool operations and aquatic programs for the two previous budget cycles was presented to council. The bottom line showed that the General Fund subsidized outdoor pool operations \$32,080 in 2010-11 and indoor pool operations also suffered a net loss. The budget was decreased 14.7% in 2011-12, and the department continues to look at ways to reduce costs. Council reviewed both indoor and outdoor pool program information, including participation figures for indoor programs at the high school and their associated expenses. Correspondence from Aquatic Director Sue Daniels was read giving a history of the outdoor pool since it opened in 1955 and voicing support for keeping it open as long as it is still in working order to provide a safe place for families to swim. Recreation Director Hawkins explained major capital improvements undertaken from 1989-2011 to maintain the pool facility, and suggested that the pool be kept open as long as it can operate within the budget framework and until such time as it faces major repairs. At that time, community support will be needed if the pool is to move forward. The report was received and placed on file.

Authority, Board, Commission, Committee Chairman or Council Representative

Historical Commission (Krebs) – A program on the works of local artist Sam Crawford will be held November 17, 2011 at the Historical Museum.

Santa Parade Committee (Krebs) – The committee is still accepting entries for the Santa Parade on November 18, 2011 in the downtown area.

Downtown Development Authority (Burns) – The results of the consultant study on redevelopment of the Riverview Plaza will be presented on November 16, 2011 at 6:00 pm at the Plaza.

UNFINISHED BUSINESS – None.

ACTION ITEMS FROM WORKSHOP

Appointment of AFSCME Negotiating Committee

Krebs moved, Kindsvater seconded, CARRIED, to confirm the appointments of Mayor Bill Cedar, Jr., City Superintendent Scott Adkins, Accountant Mike Booth, and the City's Labor Attorney Gary Francis to represent administration on the AFSCME labor contract negotiating committee.

Legal Representation at Council Meetings

Council received a City Superintendent memo asking council to formally confirm their intent to eliminate legal counsel representation at future council meetings. Mayor Cedar indicated that the proposal was mentioned as a cost saving measure, but it warrants additional discussion before any decision is made.

McCartney moved, Kindsvater seconded, CARRIED, to table policy changes involving legal representation at council meetings for further consideration. Ayes: McCartney, Burns, Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: None.

Schedule Special Joint Meeting to Review Community Comprehensive Plan

A special joint meeting of the Planning Commission and City Council was scheduled for November 17, 2011 at 6:30 pm at the Municipal Building to review updates to the Community Comprehensive Plan. It is anticipated that the Planning Commission will first take action to forward the plan to council followed by council action to accept the plan and submit it for public review and input.

NEW BUSINESS

Renewal of Employment Agreement with Director of Public Services & Engineering

Council received a City Superintendent recommendation and proposed contract agreement with the Director of Public Services & Engineering Mike Harrington to extend his employment agreement for a two year period expiring November 29, 2013.

Council discussed various sections of the agreement, including state licensing requirements for the position, residency, city vehicle use, bonuses, and termination clause. Reconsideration of some of the benefits as well as changes to the severance payment and bonus provisions were proposed, as well as making similar modifications to any other city employee contracts that contain these perks.

LaPorte moved, Kindsvater seconded, CARRIED, to table the extension of the employment agreement with Director of Public Services & Engineering Mike Harrington until the November 21, 2011 meeting.

Approve Issuance of Special Events Permit for Chamber of Commerce Galloping Gourmet in Downtown St Clair

Council received a memorandum from the Police Chief dated October 25, 2011 containing a recommendation for approval of a special events permit for the St Clair Chamber of Commerce to conduct the Galloping Gourmet in Downtown St Clair carriage ride and progressive dinner on Clinton Ave and M-29 on December 8, 2011 from 6:00 pm – 10:00 pm. All requirements of the Special Events Ordinance have been met and issuance of the permit is recommended.

McCartney moved, Kindsvater seconded, CARRIED, to approve issuance of the Galloping Gourmet special events permit as recommended.

Proclamation Designating National Family Caregivers Month

Mayor Cedar proclaimed November as National Family Caregivers Month in St Clair to promote the celebration of family caregivers for their dedication to the people of this community in their particular times of need.

McCartney moved, Krebs seconded, CARRIED, to confirm the designation of National Family Caregivers Month as recommended.

Proclamation Designating Homeless Awareness Week

Mayor Cedar proclaimed November 12-20, 2011 as Homeless Awareness Week in the City of St Clair to recognize the plight of the less fortunate neighbors and the challenges they face.

McCartney moved, Kindsvater seconded, CARRIED, to confirm the designation of Homeless Awareness Week as recommended.

CLAIMS AND ACCOUNTS – October 20, 27 & November 3, 2011

Check registers listing the bills for the period ending October 20, 2011 (check numbers 31174 ->31216), October 13, 2011 (check numbers 31217 ->31263), and November 3, 2011 (check numbers 31264 ->31311) were presented for Council review.

McCartney moved, Kindsvater seconded, CARRIED, to withhold payment of the Anderson, Eckstein & Westrick, Inc, and the McDowell Associates invoices for engineering services on the St Clair Hwy slope stabilization project until issues with the pavement movement are resolved to satisfaction.

Council also reviewed payments to the State of Michigan for unemployment benefits for seasonal employees and the criteria under which claims can be filed; a refund to Cargill Salt Co for an overbilling on a water utility account due to an improperly read meter; reimbursement of costs for a fuel spill clean-up following an accident on Fred Moore Hwy; and the criteria for reimbursement of costs associated with emergency medical responses.

LaPorte moved, McCartney seconded, CARRIED, to approve payment of October 20, 27, and November 3, 2011 Claims and Accounts as submitted, with the exception of the engineering charges associated with the St Clair Hwy slope stabilization project as noted.

PUBLIC QUESTIONS AND COMMENTS

Dale Kaufman, 1506 Glendale St, regarding the soil conditions of the property near the St Clair Hwy slope stabilization project and the underground water table and drainage issues that could be contributing to the current road surface problems.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS – None.

CLOSED SESSION – Request for Closed Session to Discuss Strategy Connected with the Negotiation of a Collective Bargaining Agreement with Employees Represented by the American Federation of State, County, and Municipal Employees (AFSCME) and to Confer with Legal Counsel Regarding Pending Litigation.

McCartney moved, LaPorte seconded, CARRIED, to recess Regular Session and meet in Closed Session pursuant to Sections 8(c) and 8(e) of the Open Meetings Act to discuss strategy connected with the negotiation of a collective bargaining agreement with employees represented by the American Federation of State, County and Municipal Employees (AFSCME); and to confer with legal counsel regarding pending litigation. Ayes: Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney, Cedar. Nays: None.

At 9:13 pm, Council recessed into Closed Session and resumed Regular Session at 10:08 p.m.

Adjourned at 10:09 p.m.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, NOVEMBER 21, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Janice Winn, City Clerk.

AUDIENCE: There were 20 persons in attendance.

ALSO PRESENT: St Clair Township Board of Trustees.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, **CARRIED**, to approve Consent Agenda items A., B., C., D., and E., as presented.

- A. City Council Minutes of November 7, 2011 Regular Meeting: Approve
- B. Board of Cemetery Trustees Minutes of October 18, 2011 Meeting: Receive
- C. Historical Commission Minutes of October 13, 2011 Meeting: Receive
- D. Board of Canvassers Certification of Odd Year Election Results: Receive
- E. Resignation of Roy Kolberg from Zoning Board of Appeals: Accept with Regrets

PRESENTATIONS

Presentation from Dan Casey, EDA on Next Michigan Development Corridor and I-69 International Trade Corridor Proposal

EDA Executive Director Dan Casey explained the regional opportunity being promoted to create a trade corridor along Interstate 69 to be designated a Next Michigan Development Corporation under PA 275 of 2010. The Next Michigan Development Corporations are regional mechanisms comprised of multiple entities that can offer economic incentives to businesses that rely on multi-modal commerce to locate near major transportation facilities such as airports, railways, or sea ports. The corridor could be used to promote the region to logistics and manufacturing companies and entice business to the area. In order to establish a framework for the partnership opportunity, an interlocal agreement must be signed by each participant to create the corridor, which spells out the role of the governing board, the fee structure for participation, and sets project development guidelines. The deadline for communities to take action on the interlocal agreement is December 15, 2011.

Following the presentation, comments and questions were directed to Mr Casey by City and St Clair Township officials regarding the proposal, its cost, and its benefits to the region. Some of the topics covered included the location and type of transportation features in the region, the EDA role in this project as well as general business recruitment activities, long term funding

arrangements, and incentives offered to companies to locate in St Clair County. Audience comments were also received regarding the creation and purpose of Renaissance Zones, which are tax free areas designated by state and local governments for a specific purpose , such as the renewable energy zone established in St Clair.

The presentation ended at 7:50 pm. Following the presentation, the St Clair Township Board of Trustees meeting was recessed and reconvened in the conference room adjacent to the Council Chambers.

ORDINANCES AND RESOLUTIONS

Ordinance No. 2011-13 - Amendment to Code of Ordinances, Chapter 18, Art II, Licensing of Business Establishments

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 18, ARTICLE II, LICENSING OF BUSINESS ESTABLISHMENTS, BY AMENDING SECTION 18-31 AND ADDING SECTIONS 18-29(a), 18-29(c)(3), AND 18-32(a)(3)

Council received a proposed ordinance expanding the circumstances under which a business license can be denied, suspended or revoked to include code violations or unpaid debts. The ordinance was introduced at the November 7, 2011 meeting.

LaPorte moved, Kindsvater seconded, CARRIED, to adopt Ordinance No. 2011-13, the Chapter 18, Article II, Business Licensing Code of Ordinances amendment. Ayes: Foley, Kindsvater, Krebs, LaPorte, McCartney, Burns, Cedar. Nays: None. ORDINANCE ADOPTED

Ordinance Introduction – Amendment to Code of Ordinances, Chapter 38, Art III, Illegal Use or Possession of Marijuana

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 38, ARTICLE III – DRUG PARAPHERNALIA BY ADDING SECTION 38-60 PROHIBITING ILLEGAL USE OR POSSESSION OF MARIJUANA

Council received a proposed ordinance to incorporate language in the Drug Paraphernalia Ordinance to prohibit the illegal possession or use of marijuana in accordance with state law. The city attorney requested the amendment after recently discovering that the proper language was omitted from our current ordinance.

McCartney moved, LaPorte seconded, CARRIED, to introduce the Chapter 38, Art III, Illegal Use or Possession of Marijuana Code of Ordinances Amendment.

Resolution No. 11-16 - Adopting Employee Medical Benefit Plan Option Required by PA 152 of 2011

RESOLVED, that the City of St Clair elects to comply with the requirements of Act 152 of the State of Michigan Public Acts of 2011 regarding the funding of employee medical benefit plans as set forth in the Act by adopting the 80%-20% cost share model.

City Superintendent explained the options allowed for employer expenditures for employee medical benefit plans under PA 152. The financial impact of each option and the reduction of State EVIP payments that the city would be subjected to if no action was taken were discussed in detail. The selection will be effective for a one year period.

Bill Klieman, 1374 S Riverside Ave, questioned the difference in cost savings to the city between the hard cap and cost-sharing options. Real savings of an estimated \$150,000

annually would not be realized unless all employee groups participate. Currently, only non-union employees will be affected until union contracts expire or are renegotiated.

LaPorte moved, Kindsvater seconded, CARRIED, to adopt Resolution No. 11-16, the PA 152 of 2011 Employee Medical Benefit Plan Option Resolution. Ayes: Kindsvater, Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Petition to Create Special Assessment District for Thornapple St Improvements – Since residents requested an opportunity to express their concerns with the process and cost associated with a special assessment district for Thornapple St road improvements, action was deferred until the December 5, 2011 meeting. A letter will be sent to homeowners advising them of the status.

Disposal of Surplus City Property – City Superintendent reported that surveys were obtained for four city-owned parcels of property on Oakwood Ln, Henry St, and Hugo St /15th St that have potential for disposal as surplus property. The circumstances surrounding each parcel's inclusion on the list and its value to the city and neighboring property owners were explained. The property would have to be combined and occupied as a single parcel. Council discussed how to establish minimum pricing for each piece and whether bids or an outright offer to purchase option would be used. Letters will be sent to the adjacent property owners with a time frame for communicating their interest in acquiring the land.

City Attorney – None.

City Departments

Recreation Director Hawkins advised of a change to be included in the request for a public hearing on the proposed City of St Clair Parks, Recreation and Open Space Plan. Consideration to add support for the establishment of a community-wide bike/walkway system with a specific Fred Moore Hwy connection from 15th St to M-29 was requested to be added to the plan. A copy of the proposed plan is available on the City's website and at City Hall for public viewing.

Councilmembers discussed future bikepath extension possibilities to provide connectivity to the downtown areas, schools, and parks, and general plans for M-29 covered in the updates to the Community Comprehensive Plan. Potential future recreational benefits for the center courtyard of the Riverview Plaza were questioned, although there are no plans to pursue them at this time because the site is private property.

Authority, Board, Commission, Committee Chairman or Council Representative

Member McCartney asked administration to provide documentation to support the comments made by John Lamb, McDowell & Associates, regarding the probability of St Clair Hwy shifting both during the construction process and after completion of the slope stabilization project. He could not recall receiving advance notice of the likelihood of pavement failure until Mr Lamb communicated it during a recent project update that was given to council.

Downtown Development Authority Council Representative Burns requested updates on the harbor floating dock project and the timetable for the Clinton Ave Streetscape project. MDOT accepted a bid on the Clinton Ave streetscape project, which is expected to start in the spring. An issue involving approval of the pre-owned docks is holding up the floating dock project and is

expected to be addressed during a December 5, 2011 meeting with MDOT officials. The grant received for the project was given a conditional extension until the outstanding issues can be resolved.

Bill Klieman, 1374 S Riverside, requested information on the company awarded the Clinton Ave streetscape project bid. Warren Construction was awarded the contract by the state and will be required to follow federal wage guidelines based on the type of funding provided for the work.

UNFINISHED BUSINESS

Employment Agreement with Director of Public Services

A proposed employment agreement between the City of St Clair and Director of Public Services Michael D Harrington was presented for council consideration. The current agreement expires November 29, 2011 and a proposed extension agreement was drafted with modifications to include a 5% reduction in wages, elimination of bonus pay, elimination of severance clause, and change in medical benefit employee premium contribution to 20%. An alternative option suggested was to eliminate the contractual agreement by adopting a Resolution to place Mr Harrington under the City Administrative Employees Agreement. Compensation, benefits, and terms of employment are the same with either option.

Council reviewed an engineering cost analysis with project information showing the contractual rate, city rate, and cost savings for seven projects Mr Harrington was involved in with outside engineering firm Anderson, Eckstein and Westrick prior to being hired by the City in 2009. Based on the difference in hourly rate, the city would have saved \$21,000 by utilizing his services as a city employee. Duties and responsibilities associated with these projects, the St Clair Highway slope stabilization project, upcoming construction projects and special assessment districts were evaluated in terms of the benefits of having a staff engineer.

Council debated the type of employment arrangement desired and the wage and benefit factors associated with each type of arrangement. Council also weighed professional development enticements against cost savings associated with a stipend awarded for the employee holding an S-2 water license.

After discussion, Council elected to proposed engaging Mr Harrington as an employee in accordance with the following Resolution:

Resolution No 11-17 – Approving Employment Status Conversion

RESOLVED, that the employment contract between the City of St Clair and Michael D Harrington shall expire effective November 29, 2011. Subsequent to said date, Michael D. Harrington shall be hired by the City of St Clair as an employee in the position of Director of Public Services at an annual salary of \$69,350 plus all other benefits provided to other non-union employees of the City with the exception of participation in the Michigan Employees Retirement System (MERS). In lieu of participation in MERS, the City shall make an annual contribution of 15% of employee's base salary to employee's account with the ICMA 457 Plan. Additionally, employee shall receive a \$1,000 annual stipend for maintaining an S-2 Water License with the State of Michigan.

Burns moved, Kindsvater seconded, CARRIED, to adopt Resolution No. 11-17, the Employment Status Conversion Resolution for Department of Public Services Director Michael D Harrington, deleting the last sentence dealing with the additional \$1,000 annual stipend for maintaining an S-2 Water License with the State of Michigan. Ayes: McCartney, Burns, Foley, Kindsvater, Cedar. Nays: Krebs, LaPorte. RESOLUTION ADOPTED

NEW BUSINESS

Schedule Public Hearing on Recreation Master Plan

LaPorte moved, McCartney seconded, CARRIED, to schedule a public hearing on the proposed City of St Clair Parks, Recreation and Open Space Plan for December 5, 2011 at 7:00 pm at the Municipal Building.

CLAIMS AND ACCOUNTS – November 10 & 17, 2011

Check registers listing the bills for the period ending November 10, 2011 (check numbers 31312 -> 31362), and November 17, 2011 (check numbers 31363 -> 31416) were presented for Council review.

Council discussed a personal property tax refund to Spartech Polycom for a Michigan Tax Tribunal decision which requires the City to reimburse the company \$98,000 of the total award. The expenditure was unbudgeted and could set precedent on allowable methods for calculating the value of industrial machinery.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of November 10, and 17, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS – None.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Appreciation was extended to volunteers and city employees involved in the Annual Celebration of Light parade welcoming Santa Claus to St Clair on November 18, 2011.

Councilmembers discussed holding work sessions on budgeting and cost cutting, city policies and procedures, and road funding. Administration is currently evaluating street maintenance needs and refining road options and funding. A Special Council Meeting was scheduled on November 28, 2011 at 6:00 p.m. at the Municipal Building for the purpose of conducting a budget and cost cutting workshop.

ADJOURNMENT at 8:55 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, DECEMBER 5, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Janice Winn, City Clerk.

AUDIENCE: There were 19 persons in attendance.

PLEDGE OF ALLEGIANCE was recited.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda item A., as presented.

A. City Council Minutes of November 21, 2011 Regular Meeting; Approve

PUBLIC HEARING

Hearing on Parks, Recreation and Open Space Plan

Mayor Cedar opened the public hearing at 7:05 pm to receive public comment on the proposed updates to the City of St Clair Parks, Recreation and Open Space Plan. The purpose of the plan is to guide recreation planning and development efforts of the Recreation Department over the next 5 years. The plan meets the requirements of the MDNR and maintains City eligibility for State grant funding. It was approved by the Recreation Commission on October 12, 2011, and now recommended for Council for approval.

Recreation Director Hawkins and Carlisle Wortman Associates consultant Dave Scurto outlined the steps taken during the past 12 months to develop the framework and gain public input on the plan. A summary of the 5 main goals and objectives and 5 specific action improvement projects as well as strategies for their implementation was provided. The goals include maintaining and improving existing parks, establishing a continuous city-wide bike/walk way system, acquiring and developing new parks, continuing to improve recreation services and partnerships, and providing for the efficient administration and funding of parks and recreation. Action items included improvements, developments, and renovations to several of the City's parks.

Mayor Cedar discussed budget figures for the pool, skatepark and general recreation operations, and reviewed the goal to acquire more park property listed in the plan. Concerns were expressed that the current amount of park land (155 acres) was adequate for a city of our size. While there are no active plans to acquire more land, the goal is broad-based to provide for acquisition opportunities and to meet grant qualification requirements. Member Foley noted the importance of a strong recreation program to draw people to live in St Clair.

No one else from the audience spoke for or against the proposed Parks, Recreation and Open

Space Plan.

LaPorte moved, McCartney seconded, CARRIED, to close the public hearing at 7:13 pm.

ORDINANCES AND RESOLUTIONS

Ordinance No 2011-14 - Amendment to Code of Ordinances, Chapter 38, Art III, Illegal Use or Possession of Marijuana

AN ORDINANCE OF THE CITY OF ST CLAIR, ST CLAIR COUNTY, MICHIGAN TO AMEND CHAPTER 38, ARTICLE III – DRUG PARAPHERNALIA BY ADDING SECTION 38-60 PROHIBITING ILLEGAL USE OR POSSESSION OF MARIJUANA

The proposed ordinance, introduced at the November 21, 2011 meeting, incorporates language in the Drug Paraphernalia Ordinance to prohibit the illegal possession or use of marijuana in accordance with state law.

LaPorte moved, McCartney seconded, CARRIED, to adopt Ordinance No. 2011-14, the Chapter 38, Art III, Illegal Use or Possession of Marijuana Code of Ordinances Amendment. Ayes: LaPorte, McCartney, Burns, Foley, Kindsvater, Krebs, Cedar. Nays: None. ORDINANCE ADOPTED

Resolution No. 11-18 - Adopting Parks, Recreation and Open Space Plan

RESOLVED, that the St Clair City Council hereby adopts the *City of St. Clair Parks, Recreation and Open Space Master Plan*.

LaPorte moved, Foley seconded, CARRIED, to adopt Resolution No. 11-18, the City of St Clair Parks, Recreation and Open Space Plan Adopting Resolution. Ayes: McCartney, Burns, Foley, Kindsvater, Krebs, LaPorte, Cedar. Nays: None. RESOLUTION ADOPTED

Resolution No. 11-19 - Approving the Interlocal Agreement Creating the I-69 International Trade Corridor Next Michigan Development Corporation

RESOLVED, that the Act 7 Interlocal Agreement be, and hereby is, approved and the City Superintendent is authorized to execute and deliver it on behalf of this unit of government; and

FURTHER RESOLVED, that the City Superintendent is further authorized to consent to non-material adjustments and corrections to the form of the Act 7 Interlocal Agreement submitted to this legislative body as may be required by State of Michigan officers or agencies; and

FINALLY RESOLVED, that Scott Adkins, City Superintendent, is hereby appointed to the Corporation Board to represent this unit of government pursuant to the Interlocal Agreement.

Council received a Resolution confirming the City of St Clair's participation in an agreement supporting creation of a Next Michigan Development Corporation (NMDC) among local governmental parties for economic development purposes. Information regarding the creation of the NMDC and terms of the agreement were provided to Council. Funding is available to support the initial \$1,000 cost, and a 6-month opt out clause is included in the agreement language should the city ever wish to remove itself from membership.

General discussion was held on the benefits of participation in the program; participation by other communities and options for contingent approval; the opt-out assurances in the agreement, including responsibility for any debt incurred; and the amount of local authority maintained over prospective developments.

LaPorte moved, Kindsvater seconded, CARRIED, to adopt Resolution No. 11-19, the I-69 Trade Corridor Next Michigan Development Corporation Interlocal Agreement Approval Resolution, contingent on St Clair County participation. Ayes: Foley, Kindsvater, LaPorte, Cedar. Nays: Burns, Krebs, McCartney. RESOLUTION ADOPTED

REPORTS FROM ADMINISTRATION

City Superintendent

Board and Commission Appointments – The city is seeking applicants to fill volunteer positions on various boards and commissions. Information is available on the City's website and cable television channel.

City Attorney – None.

City Departments – None.

Authority, Board, Commission, Committee Chairman or Council Representative – None.

UNFINISHED BUSINESS

Special Assessment District for Thornapple Street Improvements

City Superintendent reported the status of creation of a special assessment district to fund improvements to Thornapple St. A petition to initiate the district was presented, but residents later had second thoughts about the process and the cost. In order to move forward, engineering costs would need to be incurred to get a detailed estimate of the improvements.

Comments regarding the project were received from John Stockwell, 938 Thornapple St, who indicated that many of the original petition signers were no longer interested because of the additional tax burden it would impose; and from John Shinske, 937 Thornapple St, who indicated the petition was meant to be advisory only in the event the city decided to undertake street projects using available funds, or if the street bond proposal passed in November.

Administration will send a letter to each property owner asking them to communicate their support or opposition to continuing with the special assessment district process.

NEW BUSINESS

Confirm Appointments to DDA and Zoning Board of Appeals

Mayor Cedar requested confirmation of the appointment of Branden Hill, 1206 S Twelfth St, to the Zoning Board of Appeals to complete the balance of a three year term expiring December 31, 2013. It was requested that the appointment to the Downtown Development Authority be deferred until appointments to all boards and commissions are made in January, 2012.

McCartney moved, LaPorte seconded, CARRIED, to confirm the Mayoral appointment to the Zoning Board of Appeals as recommended.

Proclamation Designating Salvation Army Red Kettle Campaign Day

Mayor Cedar proclaimed December 12, 2011 as Salvation Army Red Kettle Campaign Day in the City of St Clair. Gerry Mason accepted the proclamation on behalf of the Salvation Army and the St

Clair Rotary Club and thanked the City for participating in the drive to help the less fortunate in the community.

Approve Pay Estimate #2 – Pamar Enterprises, St Clair Hwy Project

Council received correspondence from Director of Public Works Mike Harrington recommending approval of Pay Estimate #2 in the amount of \$23,290.35 to Pamar Enterprises, Inc. for the St Clair Hwy Slope Stabilization project. A 10% retainage in the amount of \$25,590.38 is being withheld on the construction portion of the project to ensure completion of outstanding shoulder and gravel work.

Council explored possible causes and responsibility for the shifting and cracking that developed in the road following completion of the project with Director of Public Works and Engineering Mike Harrington. They questioned possible causes for the problems and the McDowell Associates report detailing the stability of the corrective measures taken, the deflection of 4" – 6" in the road surface mentioned in the report, and whether the problems could be attributed to engineering, construction, or both. The crack has been sealed, there are no additional risks associated with the road in its present condition, and the road will be resurfaced next spring pending no additional movement. The cost for the temporary sealcoating was \$1,000.

Council discussed engineering fees and services, and whether portions of combined payments to AEW and McDowell Associates not related to the St Clair Hwy job should be released. To date, \$207,023.05 has been paid to the contractor for construction, but payment of approximately \$5,200 in engineering expenses to AEW and McDowell Associates are being withheld. Councilmember McCartney believed that the contractor had performed work in accordance with the contract specifications and should not be held accountable for the problems.

McCartney moved, Kindsvater seconded, CARRIED, to approve Pay Estimate #2 in the amount of \$23,290.35 to Pamar Enterprises, Inc for the St Clair Hwy Slope Stabilization Project. Ayes: Foley, Kindsvater, Krebs, McCartney, Burns. Nays: LaPorte, Cedar.

CLAIMS AND ACCOUNTS – November 23 & December 1, 2011

Check registers listing the bills for the period ending November 23, 2011 (check numbers 31417 -> 31453), and December 1, 2011 (check numbers 31454 -> 31496) were presented for Council review.

Council discussed payment to Carlisle Wortman Associates for planning consultation services related to Crossroads Community Church.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of November 23, and December 1, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

Bill Klieman, St Clair, regarding a recent sanitary sewer overflow discharge of 324,000 gallons into the river following a heavy rain event and actions being taken to eliminate illicit connections to the sanitary sewer system. Storm water infiltration is believed to be entering the system from St Clair Township, a N Riverside Ave residence, other residential downspout connections, and rainwater. The city is working with individual property owners to correct the violations.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS – None.

CLOSED SESSION – Request for Closed Session to Discuss Strategy Connected with the Negotiation of a Collective Bargaining Agreement with Employees Represented by AFSCME

McCartney moved, LaPorte seconded, CARRIED, to recess regular session and meet in closed session pursuant to Section 8(c) of the Open Meetings Act to discuss strategy connected with the negotiation of a collective bargaining agreement with employees represented by AFSCME. Ayes: Kindsvater, Krebs, LaPorte, McCartney, Burns, Foley, Cedar. Nays: None.

At 7:57 pm Council recessed into Closed Session and resumed regular session at 8:47 pm.

ADJOURNMENT at 8:48 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor

**CITY OF ST. CLAIR
REGULAR COUNCIL MEETING
MONDAY, DECEMBER 19, 2011 - 7:00 P.M.
BERNARD E KUHN MUNICIPAL BUILDING, 547 N CARNEY DRIVE**

Mayor Cedar convened the Regular Meeting of the City Council to order in the Council Room of the Municipal Building at 7:00 pm.

PRESENT: Mayor Cedar, Members Burns, Foley, Kindsvater, Krebs, LaPorte, McCartney.

ABSENT: None.

ADMINISTRATION: George Joachim, Kane, Clemons, Joachim & Downey; Scott Adkins, City Superintendent, Trice Hawkins; Recreation Director; Janice Winn, City Clerk.

AUDIENCE: There were 18 persons in attendance.

PLEDGE OF ALLEGIANCE was recited, lead by members of Cub Scout Pack 257, St Clair.

AGENDA AMENDMENTS – None.

CONSENT AGENDA

LaPorte moved, Kindsvater seconded, CARRIED, to approve Consent Agenda items A., B., and C., as presented.

- A. City Council Minutes of November 28, 2011 Special Meeting and December 5, 2011 Regular Meeting: Approve
- B. Historical Commission Minutes of November 10, 2011 Meeting and 2011 Annual Report: Receive
- C. Resignation of Fred Moore from Downtown Development Authority: Accept with Regrets

PRESENTATIONS

Presentation of Certificate of Appreciation – Cub Scout Pack 257

Mayor Cedar presented a Certificate of Appreciation to members of Cub Scout Pack 257 for their help with placing and maintaining American flags on veterans' graves in Hillside Cemetery.

Presentation on Community Comprehensive Plan – Dave Scurto, Carlisle/Wortman Associates, Inc

Carlisle/Wortman Associates, Inc consultant Dave Scurto presented the proposed Community Comprehensive Plan and explained the planning and development stages of the plan involving input from city officials, staff and residents. The plan expresses a vision for the City's future growth and development and sets long range policy for the city for the next 20 years; guides decisions on laws, staffing and services; meets the State Planning Act requirements, and provides the basis for zoning decisions. Following a distribution and 63 day public review period, the Planning Commission will conduct a formal public hearing, and then submit the plan to Council for adoption.

Mayor Cedar questioned the frequency of plan revision. The plan is reviewed every five years and rewritten approximately every 20 years. The city's plan was last revised in 1995.

McCartney moved, Kindsvater seconded, CARRIED, to receive the Community Comprehensive Plan and forward it for distribution and public review.

ORDINANCES AND RESOLUTIONS – None.

REPORTS FROM ADMINISTRATION

City Superintendent

Drinking Water Monitoring – The City of St Clair does not intend to continue participation in the current Macomb County drinking water monitoring consortium because continuation would cost the city in excess of \$30,000 annually in operation costs rather than the \$5,000 current expense. Instead, the city is working with the St Clair County Health Dept and neighboring communities on a cooperative arrangement to determine ways to continue the monitoring program in a more cost efficient manner, including exploring the possibility of purchasing and operating our own equipment. In the meantime, the city continues to perform drinking water monitoring using the existing equipment while the options are explored.

Holiday Schedule - City offices will be closed Friday, December 23, 2011, Monday, December 26, 2011, Friday, December 30, 2011, and Monday, January 2, 2012 due to the Christmas and New Year holidays. The rubbish collection schedule remains unchanged.

Golf Course Rates – Green fees for Pine Shores Golf Course were compared to Marysville Golf Course and St Clair was found to be less for 18 holes of play, weekends and season passes, and comparable on senior/junior rates.

Electric Vehicle Charging Station – A ribbon cutting event will be held on December 20, 2011 at the Palmer Park Scenic Turnout to officially open the region's new electric vehicle charging stations. Representatives from Cargill Salt (the local funding partner), the Chamber of Commerce, DDA, St Clair Chevy (with a Chevy Volt) and local businesses will attend.

St Clair Highway Update – There are no additional reports or movement discovered with the road surface on St Clair Highway at the site of the slope stabilization project. The city will continue to monitor the situation through the winter months and reevaluate conditions in spring 2012.

Clinton Ave Streetscape - The Clinton Ave streetscape project was awarded by MDOT to Warren Construction Company. Work is expected to begin by the end of March, and finalized by June, 2012. A \$14,000 donation from the St Clair Foundation to cover cost overruns was received allowing the project to move forward.

Harbor Floating Docks – Administration met with representatives from the State Waterways Commission in an attempt to get the city's pre-owned docks certified for the project. If a waiver is obtained, the project will be bid in early 2012.

Heavy Rain Event – A recent incident of heavy rain that flushed debris down the Pine River did not cause any damage to the boat harbor docks or facilities.

Budgeting Workshops – Council discussed scheduling future workshops on budgeting and cost cutting measures and questioned whether it would be advantageous to compare current labor costs against privatizing certain city services. The basis for compiling the proposals and bids is for informational purposes only at this time.

Foley moved, Krebs seconded, CARRIED, to direct the City Superintendent to prepare request for proposals and solicit bids to evaluate costs associated with outsourcing of Water, Wastewater, DPW and Police Department operations. Ayes: Krebs, LaPorte, McCartney, Burns, Foley, Kindsvater, Cedar. Nays: None.

In conjunction with exploring privatization of departments, council also questioned whether the police officers union contract could be reopened to evaluate potential cost savings.

LaPorte moved, Kindsvater seconded, CARRIED, to direct administration to submit a formal letter of request to the Police Officers Labor Council asking for consideration to reopen the current labor

contract with the city's police officers.

City Attorney – None.

City Departments

Recreation Department – Skate-Bike Park Donation and MRPA Award

Recreation Director Hawkins acknowledged the Community Foundation of St Clair County and Doug Murphy for securing a \$5,000 grant for landscaping improvements at the skate-bike park. The money will be used for seeding the bike track and for park signage. Ms Hawkins also reported that the city was selected by the MRPA as a 2011 Facility Design Winner for the skate-bike park project. A formal award will be presented in February 2012 and a feature article on the project will appear in the Michigan Municipal Review magazine.

Authority, Board, Commission, Committee Chairman or Council Representative

Planning Commission (Member LaPorte) – Sample forms for rental registration and inspection and residential inspection prior to sale were reviewed by the Planning Commission and referred to administration for revision and possible incorporation into city policy.

DDA (Chairman Lockwood) – Donations from local foundations were received for bracket replacement for street banners (\$2,300), a new welcome sign at the Fred Moore Hwy entrance to the city (\$4,000), and for the Clinton Ave streetscape project shortfall (\$14,000). A donation was also given to the St Clair Art Association Public Art Committee to create way finding signs for major city sites (\$4,000). Council was encouraged to visit the St Clair Library kids' room and view the recently completed mural painting and stained glass window project created by Art Association volunteers.

Harbor Commission (Member McCartney) – The pavilion garage doors have been installed, docks have been winterized, and promotional advertising opportunities are being pursued.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Schedule of Regular Council Meetings for 2012

LaPorte moved, Kindsvater seconded, CARRIED, to schedule the 2012 Regular City Council Meetings on the first and third Mondays of each month at 7:00 pm at the Municipal Building, 547 N Carney Drive, St. Clair, Michigan 48079.

A schedule of regular and rescheduled meeting dates due to legal holidays was distributed. The Monday, January 2, 2012 regular meeting was rescheduled to Tuesday, January 3, 2012 in observance of New Year's Day; and the Monday, September 3, 2012 regular meeting was rescheduled to Tuesday, September 4, 2012 in observance of Labor Day.

CLAIMS AND ACCOUNTS – December 8 & 15, 2011

Check registers listing the bills for the period ending December 8, 2011 (check numbers 31497 -> 31536), and December 15, 2011 (check numbers 31537 -> 31581) were presented for Council review.

Council discussed engineering charges for surveys of excess city parcels. Three of the four property owners are interested in purchasing the lots adjacent to their homes, which are expected to bring \$2,000-\$2,500 each subject to appraisal. Bill Klieman, 1374 S Riverside Ave, questioned why the properties were not being offered for sale by sealed bid. Attorney Joachim explained that the lots are not buildable, would only enhance the neighboring property values, and if sold to

someone else would create an illegal lot for zoning purposes.

LaPorte moved, Kindsvater seconded, CARRIED, to approve payment of December 8, and December 15, 2011 Claims and Accounts as submitted.

PUBLIC QUESTIONS AND COMMENTS

St Clair Chamber of Commerce Director Jody Skonieczny communicated the success of the Gourmet Gallop carriage ride and dinner event on December 8, 2011 which attracted 160 guests. The seven restaurants that participated received positive feedback for their food, service, and atmosphere created for the event.

MAYOR AND COUNCILMEMBER COMMENTS AND ANNOUNCEMENTS

Member McCartney questioned the drinking water monitoring system program options. Several alternatives are being explored towards a cost effective, long term solution, including purchasing monitoring equipment independently, or creating a shared cooperative with neighboring communities.

Member Burns discussed the need for comprehensive studies to assess water and sanitary sewer rates and usage. When the water rates were increased in 2010, a follow-up evaluation was planned to insure that assumptions that were the basis for the increase were accurate. City Superintendent indicated that there are still some unaccounted connections to identify and that a systematic study of billable vs treated gallons of water will be done.

Member Burns also questioned sewer rates and discharge issues. Significant sources of infiltration are being addressed in the city and St Clair Township as well as a review of needed infrastructure upgrades. Sewer separation projects, sewer lining, and grant funding for additional system maintenance have helped to eliminate some of the problems with no basement flooding or large infiltrations reported. Member LaPorte asked about the Sewer Plant using a generator from Cargill Salt in the event of pump failure. The city has a current arrangement with St Clair Township but will look at Cargill when their system is upgraded.

Member Krebs questioned the status of the Spring St pump station improvements project, and absence of blight reports. The Spring St lift station equipment was received but has not yet been installed. A new blight violations reporting system will be up and running in January 2012 and a new log system for blight violations will be put in place.

Mayor Cedar requested that council perform the preliminary work needed to complete a city superintendent performance evaluation. The information was requested to be submitted to him by January 1, 2012.

Holiday greetings were extended to residents from Mayor Cedar and Councilmembers.

ADJOURNMENT at 7:42 pm.

Janice Winn, City Clerk

Bill Cedar, Jr, Mayor