

**CITY OF ROOSEVELT PARK
CITY COUNCIL
MEETING MINUTES
September 21, 2009**

Mayor Lenartowicz called the meeting to order at 7:15 p.m.

2009-159 **ROLL CALL**

Present: Mayor Jeff Lenartowicz, Mayor Pro Tem Rod Buikema, Council Members Al Lowe, David Martin, Laura Fitzpatrick, Eric Grimm, and Judy VanWesten

Absent: None

Staff Present: City Manager Dave Boehm, Police Chief Bill Regan, Assistant to the City Manager Anthony Chandler and Treasurer/Clerk Tammera Harmsen

2009-160 **INVOCATION**

Mayor Pro Tem Buikema provided the invocation.

2009-161 **PUBLIC HEARING**

Mayor Lenartowicz opened the Public Hearing on the FY- 2010 Budget. City Manager Boehm gave an overview of the 2010 Annual Budget

1.) The Big Picture:

- 2010 Budget will be balanced.
- 2010 Draft Budget will probably change before December 1st.
- Current services will be retained.
- General Fund support needed for Local Streets (Post Road Project).
- Sewer Fund shortfall (\$173,000) will be the biggest issue of 2010.
- No new programs. No additional staff.
- Need to recover from 2009.

2.) 2010 vs. 2009 Budget

- Total revenues increased by \$112,500 due to use of \$121,800 DDA Fund Balance.
- Total expenses are down \$195,600 from 2009 (Glenside Project and Truck Purchase).
- General Fund expenses decreased by \$20,850 or 1%
- Local Street Fund expenses increased by \$57,550 or 78%.

- Sewer Fund expenses increased by \$75,520 or 10% (10% is probably the floor).
- 3.) General Fund
- Tax revenue down slightly (.6%).
 - State Shared Revenue is in flux.
 - Statutory Revenue Sharing = \$62,000. Contingency plan may be needed.
 - Capital equipment: 1 police cruiser, smaller park equipment.
 - Public safety costs = just under \$1 million.
 - Staffing costs are down in DPW and Police.
- 4.) Major Streets
- 4.7% decrease in Act 51 funding (-3.9% in 2009)
 - Decreases work against small (population) units with no growth and no new roads.
 - Status Quo Budget for 2010.
 - Example: 1st Quarter Labor = \$28,554.43 (Dec., Jan., Feb.) 2nd Quarter Labor = \$4,778.22 (March, April, May).
- 5.) Local Streets
- 4.6% decrease in Act 51 funding (-3.9% in 2009).
 - Grants need to have matching local funds.
 - Transfer from Major Streets and Fund Balance.
 - Same issues as Major Streets (snowplowing and pothole patching).
 - Example: 1st Quarter Labor = \$23,764.82, 2nd Quarter Labor = \$833.48.
- 6.) Downtown Development Authority
- Very little flex in 2010 Budget
 - 1st year payment on DPW Building used fund balance.
 - Debt costs will jump substantially.
 - General Fund support continues.
 - Design/planning services for redevelopment of DPW site will be a priority.
- 7.) Sewer Fund
- No good news.
 - Will need to carefully monitor expenses vs. revenues.
 - Sewer Fund will most likely operate at a loss in 2009.
 - Glenside Phase II Construction in 2009 and Post in 2010.
 - Bond payments on the 66" Force Main kick-in in 2010. Maybe \$50,000 but probably higher.

- Debt tied to flow.
- Most Sewer Fund revenue is a pass through to Muskegon County.

8.) Water Fund

- Expect 2010 to almost be a mirror of 2009.
- Water sales have been stable.
- Cost of water purchased has remained stable.
- No construction planned for 2010.

Council Member Fitzpatrick moved to close the Public Hearing at 7:20 p.m., motion support by Council Member Grimm and carried unanimously.

2009-162 **PUBLIC COMMENT**

Ken Punter of Ravenna Township introduced himself to Council, stating he will be running for the 91st House District seat next year.

2009-163 **CONSENT AGENDA**

Mayor Pro Tem Buikema moved to approve the Consent Agenda with item 8 (f) – Police Chief raise review added. The motion was supported by Council Member Van Westen and carried unanimously.

2009-164 **RESOLUTION – TRUTH IN TAXATION**

The City Council must establish the millage rate for FY 2010 with the adoption of a resolution. The public hearing held tonight, fulfills the requirements for the City Council to establish the millage rate of 11.6 mills which is based on the State Equalized Valuation of all property in the City and an additional millage of .0665 for a total of 11.6 mills.

MCL 211.24e provides that without action taken by the City Council, the City shall not levy ad valorem property taxes for operating purposes. A “Truth in Taxation” resolution is attached for Council adoption.

The establishment of the millage rate determines the amount of revenue received by the General Fund.

Council Member Van Westen moved to approve levying the additional millage of .0665 above the base tax rate for a total operational millage of 11.6 mills for the fiscal year 2010. The motion was supported by Mayor Pro Tem Buikema and carried.

7 Ayes, 0 Nays, 0 Absent

2009-165 **RESOLUTION – FY 2010 BUDGET ADOPTION**

After establishing the millage rate for 2010, the final action to adopt the budget is to approve the attached Resolution of Appropriation. This resolution adopts the City’s budget and appropriates funds for the expenditures specified therein.

The City Council may amend the draft budget until such time as the Council votes to adopt it. Also, in these current fiscally challenging times it may be necessary to amend the 2010 Budget prior to December 1st, should funding assumptions change significantly. The narrative for the final budget document will be altered to reflect any changes that may be made from the submitted budget. All changes will be made prior to printing of the final budget.

The appropriation of funds will allow the City to incur the expenditures outlined in the budget.

Council Member Van Westen moved to approve the Resolution of Appropriation for the Fiscal Year 2010 Budget. The motion was supported by Council Member Fitzpatrick and carried.

7 Ayes, 0 Nays, 0 Absent

2009-166 **AUTHORIZATION – ASSESSMENT ADMINISTRATION AGREEMENT**

The Agreement between the City of Roosevelt Park and Muskegon County to provide for property assessment administration services expires September 30, 2009. This Agreement does not contain a provision to automatically extend its timeline. This year the City is expected to pay at least \$32,272 for assessing services. Property values have declined and tax revenues are expected to follow in 2010. Staff is reluctant to commit to a multi-year agreement and is recommending a one year extension under the same terms as the existing agreement excepting the rate for services which would be capped at \$30,000.

Council Member Lowe moved to approve a one-year extension of the Property Assessment Administration Agreement between the City of Roosevelt Park and the Muskegon County with a not to exceed a cost of \$30,000. The motion was supported by Council Member Grimm and carried unanimously.

2009-167 **SETTLEMENT AGREEMENT: REQUEST BY NEW MICHIGAN LIMITED PARTNERSHIP (NMLP) – 45 DAYS EXTENSION**

City Attorney Stapleton stated NMLP (Lakecrest Apartments) has requested an extension to the agreement regarding various required repairs to their buildings. The extension requested is for 45 additional days to complete all of the repairs which were to have been finalized by October 15, 2009.

Also, to date NMLP had not paid any rental inspection fees for 2008 or 2009.

Council Member Grimm stated that Council has been quite patient for two (2) years and given them plenty of time to complete repairs.

Council Member Grimm moved that the City Council respectfully declines the request from NMLP for the extension of 45 days to complete all repairs. The motion was supported by Council Member Lowe and carried unanimously.

2009-168 **CLOSED SESSION – CITY ATTORNEY’S OPINION LETTER**

Mayor Pro Tem Buikema moved to go into closed session at 7:35 p.m. to review the Opinion Letter from the City Attorney. The motion was supported by Council Member Lowe and carried.

Roll call vote: 7 ayes, 0 nays, 0 absent.

Council Member Fitzpatrick moved to return to regular session at 8:40 p.m. The motion was supported by Mayor Pro Tem Buikema and carried.

Roll Call Vote: 7 ayes, 0 nays, 0 absent

2009-169 **POLICE CHIEF RAISE**

In accordance with the signed written agreement between the Police Chief and City Council, Police Chief Regan is up for a \$1000 pay increase beginning September 1, 2009.

Council Member Grimm asked City Manager Boehm his recommendations regarding the increase. City Manager Boehm stated based on recent events he would not comment on the issue.

Council Member Grimm stated there were concerns regarding the amount of money being spent on over-time hours.

Mayor Lenartowicz stated to Chief Regan that he needs to step on the correct side of his role as a Department Head.

Mayor Pro Tem Buikema moved to give the Police Chief his six month \$1,000 salary increase effective September 1st. The motion was supported by Council Member Martin and carried unanimously.

2009-170 **COUNCIL COMMENTS**

Council Member Fitzpatrick thanked legal counsel for their helpful opinion.

2009-171 **DEPARTMENT HEAD REPORTS**

City Attorney Stapleton stated Lakecrest Apartments has filed an appeal regarding the judgment from the Michigan Tax Tribunal. City Attorney Stapleton also stated the decision by the United States District Court granting a motion by

Muskegon Central Dispatch to vacate an arbitrator's decision on the \$500,000 award granted to a technology company for a failed software system has been appealed.

Chief Regan stated he attended a hostage negotiations school last week.

2009-172

ADJOURNMENT

Council Member Lowe moved to adjourn the meeting at 8:55 p.m. The motion was supported by Mayor Lenartowicz and carried unanimously.

Treasurer/Clerk Tammera Harmsen