

A Special meeting of the Leslie City Council was held at 7:00 pm on Tuesday, April 19, 2011 at Leslie City Hall, 107 E Bellevue Street, with Acting Mayor Randy Fox presiding.

PRESENT: Councilmembers Beegle (Arrived 7:17), Beyer, Motes, Shuster, Zamora, and Mayor Fox.

ABSENT: None.

ALSO PRESENT: City Manager Brian Reed, City Clerk Denae Davenport, Finance Director/Treasurer Cheri Neu, Deputy Clerk/Treasurer Carrie Fancher, Police Chief Bob Delamarter, Leslie Fire Chief Bruce Howe.

Mayor Fox led those present in the Pledge of Allegiance.

PURPOSE OF THIS MEETING: Conduct a Budget Workshop regarding the Proposed Budget for the City of Leslie fiscal year July 1, 2011 through June 30, 2012.

A. APPROVAL OF THE AGENDA.

Motion by Motes, supported by Shuster to approve the agenda as presented. All yes. Motion carried.

B. Proposed Budget for fiscal year July 1, 2011- June 30, 2012.

1. Discussion of Proposed Budget for fiscal year July 1, 2011- June 30, 2012.

Reed thanked everyone for attending the meeting. Reed stated that we will walk through the budget informally, asking attendees to stop him and ask questions and make comments at anytime. Reed explained that there have been a lot of challenges and strains on the budget and within the economy. Reed feels like the city has tried to stay ahead of the curve and we are not in serious trouble, as we have been able to maintain an acceptable fund balance, while trying to address the needs of the city. The city has seen cuts in revenue sharing and local tax revenue cuts. Reed stated that the city can compete for a portion of the revenue sharing money by following 3 steps set by the State of Michigan (SOM). 1. Publish a guide to local government. Similar to the budget memo. 2. Cooperate, Collaborate and Consolidate. 3. Address economics such as retirement and healthcare. Reed reviewed steps that have been taken by the city to cut spending. Reed asked Neu to walk through the budget. Neu noted there is a decrease in General Fund Revenue with the decrease in property tax values. Neu noted that the numbers reflect the MSHDA grant that passes through our budget. Reed noted that the grant stipulates that the money goes through an auditing process and the best way for this to happen is for it to be added to the city's budget. Zamora asked for clarification regarding the retiree health care reimbursement. Neu gave details of the process. Neu clarified that the retiree's health care is paid by the city and a large portion is reimbursed to the city by the retirees, resulting in the city only paying a little over \$300 each for two retirees. Neu explained the money coming from the DDA to the public improvement fund for the pool. Neu reviewed the Street budget noting that because the city's population dropped below 2000 in the 2010 census the city will get less Act 51 Revenue. Zamora asked if the revenue sharing money could be saved from year to year or does it have to be spent completely each year. Detailed discussion of the Building fund. Zamora asked a question about code enforcement. Reed explained that he is looking at this with the attorney as this is becoming more of a problem with all of the foreclosures. Neu reviewed the Water and Sewer funds. Shuster asked about the Deputy Clerk/Treasurer wages in the water and sewer fund. Neu explained in detail the wages are shown in the water and sewer fund that are reflective of several employees. Neu explained the Motor Vehicle Pool, detailing the equipment rental. Neu reviewed the LDFA budget discussion of weapons for the police department including tasers. Motes asked why the city is interested in tasers. Delamarter explained the need for enforcement that is less than lethal and noted that 3 officers have already

been trained to use tasers. Fox replied that he would like to see the police department have this option. Neu noted that the LDFA faces a loss in revenue. Reed thanked Neu for providing such great detail regarding the budget and asked if anyone had questions regarding the proposed budget. Reed provided details regarding the deteriorating conditions at the community pool, explaining that he has submitted an application for grant money. Reed noted that the vactor is an expensive piece of equipment that needs to be replaced. Fox asked about sharing a vactor or renting one from other communities when needed. Reed mentioned his concern ~~that~~ about the school's funding of the crossing guards. Shuster asked if there is grant money such as "safe routes to school". Reed responded the grant money for safe routes to school is usually for sidewalks and other infrastructure, and that he would check into it. Zamora asked why Delamarter is in favor of ~~the~~ adding the motorcycle. Delamarter explained that the motorcycle increases visibility in many ways. It is good on gas mileage. The public perception for the community is improved when the Leslie cycle participates in events in other communities. Zamora responded that he is sold. Shuster asked how the city could increase the taxable value. Reed responded by adding new apartments and new businesses.

2. Staff Salary Discussion.

All staff was excused by the City Manager at 9:02pm. Minutes from this point on were taken by Manager Reed.

Discussion on staff wages

Reed discussed that non-union employees had not received a wage increase in three years. He would like to work a wage increase into the budget for non-union employees. Zamora against any wage increases. Beegle asked if raises were across the board. Reed answered that raises would be given at his discretion. Discussion followed. Several councilmembers uncomfortable with giving raises at this particular time. Motes and Beegle indicated they appreciate all staff immensely but worry about the perception of a raise at this time. Beyer added that it may not look right to give raises at this time. Zamora stated that staff get longevity which is like a raise. Fox stated that he is all for a raise because they have not had one in three years and that he would hate to lose anyone off this staff. Reed indicated that the budget was in good condition solely because of the hard work of his staff and the sacrifices they have made over the last three years. Reed discussed how many hours his office staff puts in with the extra burden and he was afraid to lose staff as he did with DPW Director Owen. Shuster said she is opposed to any wage increases particularly with a millage increase included in the budget. Zamora said he hoped the same would hold true with union employees and he could not support this budget. Fox stated that Council should take the lead and give up their pay. Discussion. Mayor Fox asked what the consensus was. Consensus across the council was that staff was appreciated and deserving of raise however this was not the right time for a raise.

Discussion on Deputy Clerk/Treasurer position. Reed indicated that Fancher was brought in at a low level. Beegle indicated that she could see a small increase for Fancher because she was brought in at such a low level. Fox indicated he was for a raise for all employees. Shuster and Zamora stated they are against a raise for Fancher. Reed reminded council that there is a cost to losing employees and having to train someone.

Moved by Beegle, seconded by Beyer to approve a 4% wage increase for Deputy Clerk/Treasurer Carrie Fancher. Mayor Fox called for a Roll Call vote. Beegle - yes, Zamora - No, Motes - Yes, Beyer - yes, Fox - Yes, Shuster - No.

Beegle asked about the City Manager position. Reed indicated he would not accept a raise if his staff couldn't. Beegle said it would be appropriate to be compensated for doing the DPW Director's job in the short-term because it was a burden. Reed discussed rehiring the DPW Director once things become more clear at the State level in regards to local government reform. Reed suggested in September or October near the State's fiscal year it may be a better time to rehire the DPW Director. Consensus to pay Reed \$2,000 per month while he performed the duties of the DPW Director until a DPW Director is hired.

3. Set Public Hearing Date for Fiscal Year Budget July 1, 2011 - June 30, 2012.

Reed indicated that we would need a public hearing for the budget. Moved by Motes, seconded by Shuster to set a public hearing for the Leslie City Budget on May 3, 2011. All yes. Motion Carried.

Motion to Adjourn

Moved by Motes, seconded by Beyer to adjourn the meeting. All yes. Motion Carried.

Meeting adjourned at 10:36pm.

Respectfully Submitted,

Denae Davenport
Leslie City Clerk