

CITY OF FENTON COUNCIL WORK SESSION PROCEEDINGS
Tuesday, January 03, 2017
City Hall Conference Room
301 South LeRoy Street
7:30 PM

Mayor Osborn called the meeting to order at 7:32 PM.

Present: Grossmeyer, Jacob, Lockwood, McDermott, Osborn, Smith.
Absent: Draves.
Others Present: Lynn Markland, City Manager; Rick Aro, Chief of Police and Dan Czarnecki, Director of Public Works.

CITIZENS COMMENTS – Doug Tebo asked to speak on the ‘Oakwood Cemetery Perpetual Care Fund’ agenda item.

Osborn commented the Auditor was unable to attend tonight’s meeting so the 2016 Audit will not be presented.

CLEMIS AGREEMENT FOR I.T. SERVICES

Aro commented what is presented is a standard operating agreement for I.T. services between the City of Fenton and Oakland County for use of the Courts and Law Enforcement Management Information System (CLEMIS). The Police Department contracts with CLEMIS to provide records management, computer aided dispatch services, internet services, crash reporting and several other I.T. solutions. The agreement establishes the terms of service provided by CLEMIS to the Police Department. Aro stated the agreement was sent to the City Attorney for review and comment. He noted the City has utilized CLEMIS since 2003.

After discussion, consensus was to place on the next City Council agenda for action.

911 SURCHARGE INCREASE

Aro stated emergency dispatch centers are funded by a surcharge paid by cell phone users for each “device” which is collected by cell phone providers. The surcharge is then returned to dispatch centers of each “user” on a county by county basis. This revenue is divided proportionately between the Genesee Central Communication Consortium and the City, with the City receiving 2.76% of surcharge revenue collected.

An audit conducted by Genesee Central indicates the current surcharge will not sustain 911 operations. Increased operational costs and upcoming capital purchases have prompted Genesee Central to consider requesting an increase in the surcharge fee from \$1.24 to \$1.86.

Aro stated the City’s 911 Dispatch operational costs were \$278,989 in 2015 with \$135,196 being received in surcharge revenue; the balance was funded by the City’s general fund. The proposed \$0.62 surcharge increase would result in the City receiving approximately \$67,000 in increased surcharge revenue.

Aro explained the proposed increase must be approved by the Genesee County Board of Commissioners; it would then be placed on the May 2, 2017 ballot for consideration.

The Executive Board of Directors of the Genesee County Communication Consortium have asked for the City's support in pursuing this increase. He is recommending a resolution in support of the increase.

Tim Jones and Dave Plumb representing Genesee County 911 addressed the Council regarding the proposed increase.

Osborn asked if the City of Fenton is the only jurisdiction in the County that is not part of the County 911 consortium. Tim Jones responded yes.

Osborn asked what portion of the increase the City will receive. Mr. Jones stated the County worked with Plante & Moran on a five year projection for Genesee County 911. Currently there is large surplus but the costs involved with taking over dispatch for the City of Flint (which included increasing in house staff by 50%) and the demand for services by bringing Flint into the Consortium was overwhelming. Mr. Jones stated if operations continue as is, capital asset funds will run out and Central dispatch will be in a deficit by 2020.

Mr. Jones further stated there is a \$5.5 million dollar radio project on tap. Radios were last purchased in 2005 radios for all of Genesee County, except for the City of Fenton. The current surcharge rate has not changed since 2008 and he has talked to other counties about how they handled a surcharge increase. While there are several different remedies, the recommendation to the Consortium and Genesee County Board of Commissioners is to place a proposal to raise the surcharge by 50% on the May 2017 ballot. If the increase is approved, the City would receive approximately \$67,000 in additional funding and the City would maintain the same style of networking and communications that it currently has.

Osborn asked if the City's radios are compatible with the ones the County will be purchasing. Mr. Jones responded yes and stated he has discussed this with Chief Aro. When the RFP is completed for the radio purchase, the City will be included in those discussions so everyone can get the same bulk rate pricing.

Mr. Jones stated a lot has changed in 911 since 2008 but the funding has not. The surcharge is the only mechanism for funding and there has been a shift towards prepaid cellphones (which the surcharge is not collected on) and the number of landlines has significantly decreased. By state statute, the County can authorize (with voter approval) a surcharge of up to \$3.00 for each service user, but that amount is not needed. At this time, a 50% increase is being sought which will help stop the downturn and allow current operations to be maintained.

Osborn asked if the Police Department would have to purchase new equipment once the County does. Aro stated the Department will purchase new radios, which was already budgeted. Osborn asked if grant money would be available to help with the purchase. Aro stated he will check into that. Aro updated Council on local dispatch operations and equipment used.

Markland commented money has been budgeted this year for the radio purchase, but they will be paid for over time.

Aro stated the City will piggy back the County's radio purchase which will enable the Police Department to get a better price.

Grossmeyer asked if any money is collected on VOIP systems provided by the cable companies. Mr. Plumb responded they are charged the same fee.

Grossmeyer questioned why the County keeps 20% of the City's portion of 9-1-1 surcharge revenue and asked how that amount was determined. Mr. Jones stated he does not know, but he has asked about it and will continue looking into it.

Mr. Jones detailed the next steps in the process of placing the proposed surcharge increase on the ballot. There is a meeting of the 911 Consortium on January 10th; at that meeting if it's

decided to move forward with a ballot proposal, the Consortium Board will adopt a resolution asking the Board of Commissioners to move forward with placing the issue on the ballot. If the Board of Commissioners decides to move forward with the proposal, it will appear on the May 2, 2017 ballot for Genesee County voters to consider. If the proposal passes in May, collection of the increased surcharge rate would start in November. If the ballot proposal does not go forward until the August or November 2017 elections, collection would not begin until November 2018.

Markland commented regarding the 20% admin fee the County withholds from the City's surcharge revenue. He has discussed this issue with Mr. Jones and Chief Aro. He stated the City only charges a 1% admin fee to collect taxes and that is the maximum amount allowed by law. He feels 20% is way too high and stated there will be ongoing discussions regarding this fee.

After discussion, consensus was to place a resolution in support of the 911 surcharge increase on Monday's council agenda for action.

STREET MAINTENANCE PROGRAM

Czarnecki stated the conditions of local streets, and options on how to fund improvements (millage, special assessment, etc.) were previously discussed by Council in 2014. Every 2-3 years the street system is rated; he reviewed the most recent ratings. The goal of the street plan is for all streets to eventually be rated 'good' or 'excellent'. All streets were looked at to determine how they will be fixed (i.e. crack sealing, chip sealing, complete reconstruction etc.). In the past, improvements have been funded through the City's capital improvement fund. Because of changes in revenue, the amount in this fund has declined. He clarified some capital improvement funds are used as matching funds for projects that are partially funded by state and federal government.

Kent Early of OHM Advisors commented the new ratings were recently completed and updated maps and graphs are being finalized. Czarnecki stated the ratings of most streets have not changed very much since the last time ratings were done.

Czarnecki stated there has been previous discussion of different funding levels for street improvements and how those funding levels would impact the amount of work that can be done. If \$1.25 million is put towards street improvements every year for ten years, the ratings would be expected to slightly improve. One issue that comes up by the public is when work is done to keep a street in good shape from deteriorating, people question why that work is being done when other roads are in far worse condition. He stated there are water system issues and some of those issues are on roads in need of repair and further stated the underground repairs need to be made before completing road repairs. OHM is working on incorporating water main improvements into the street plan. The City will receive a S.A.W. grant later this year. Those grant funds are to be used to evaluate the sanitary system. He stated the utility funds would pay for utility work that is done, separate from any street funds that will go towards the paving or other surface repairs.

Czarnecki stated he does not think the information will change much since the last time street ratings were completed three years ago. He briefly reviewed funding options which include continuing to use general fund dollars, utilizing the special assessment process or a street millage. He talked to the City Treasurer to see how much revenue one mill generates, which is approximately \$380,000; another option might be a blend of a millage and special assessment where the millage would take care of road repairs and a special assessment would pay for curb and gutter or drainage improvements/repairs in areas where those items are needed.

Czarnecki noted the gas tax and vehicle registration fees recently increased; the State pays for road work with the revenue it receives from these items. He reviewed how these increases will affect the amount of money the City receives over the next five years; the City will realize

approximately \$540,000 in additional revenue over this time period. He stated 50% of money allocated for major streets can be transferred to the local streets fund. Once the street plan is completed and sent to (and approved by) the State that amount can increase to 100%.

Smith commented she thinks people will think the increase in the gas tax and registration fees should take care of funding road improvements. If a streets millage is sought, she feels there needs to be a good plan in place to educate the public as to why it is needed. She thinks curbs and gutters should be part of the plan since the City requires developers to install these items.

Lockwood stated Council needs to make a decision on the source of funding whether it be a millage, special assessment or a combination of the two. If a millage is sought, she thinks it should not be perpetual and should be capped.

Grossmeyer stated he thinks the millage should be for road repair; curb and gutter placement in neighborhoods that currently do not have them can be addressed through the special assessment process.

Osborn stated she would like to schedule a special work session to discuss this topic further. Lockwood suggested getting information on other millage proposals that have recently been approved.

Kent Early from OHM will work on getting examples of millages that have passed as well as plans from other communities who funded road improvements without a millage.

A work session to discuss this topic will be scheduled in the near future.

OAKWOOD CEMETERY PERPETUAL CARE FUND

Czarnecki stated 20% of lot sales are put into the perpetual care fund. Currently there is \$163,871 in the fund. Once money is placed in the fund, it cannot be used for anything but investment, with the interest earned used for cemetery maintenance. Over the past three years, \$5,580 has been placed in the fund. He reviewed the results of a cemetery price comparison study that was included in the meeting packet. The average lot cost for municipal cemeteries included in the study (excluding the City of Birmingham) is \$456; the City currently charges \$450/lot. The Oakwood Cemetery Board has discussed raising the rate from \$450 to \$500.

Markland commented the 80% of the lot sale price the City receives does not fully pay for upkeep of the cemetery; the general fund subsidizes the cost of maintenance. He stated it is unrealistic to increase the percentage going towards perpetual care without raising the lot price. He also suggested checking into whether it's possible to charge a flat perpetual care fee.

Council discussed the possibility of raising the price of lots or adjusting the percentage of lot sale revenue that goes into the perpetual care fund from the sale of lots. The Oakwood Cemetery Board will contact surrounding municipalities and get information on what percentage of lots fees, or flat perpetual care fee goes towards their cemetery's perpetual care fund. The Board will also look into the possibility of raising the price of lots. A recommendation will be made to Council at a later date.

Doug Tebo, Chair of the Oakwood Cemetery Board, updated Council on Board activities and reviewed data on vacant lots within Oakwood Cemetery, as well the work being done to computerize the cemetery records.

COUNCIL MEMBER COMMENTS

Grossmeyer stated he thinks it is time for Council to revisit the Cornerstone parking agreements.

Smith thanked Councilman Grossmeyer for organizing the gathering held at John's Pizzeria to honor Doran Kasper.

Lockwood commented a student from Tomek-Eastern Elementary would like to attend the next work session to talk about their plan for an ice rink. She thanked the D.P.W. for their work in taking down Christmas decorations.

Jacob stated he would like to place a resolution in support of a National Water Trail designation for the Shiawassee River Water Trail on an upcoming Council agenda for consideration.

CALL TO THE AUDIENCE – Cassandra Haas, owner of Fenton Hydroponics and Garden Center, inquired about being added to an upcoming Council agenda to discuss medical marihuana licensing.

Meeting was adjourned at 9:15 PM.

Mayor Sue Osborn

City Clerk, Renee Wilson

Date approved: January 23, 2016