

SPECIAL CITY COUNCIL MEETING
July 28, 2009

The Special City Council Meeting was called to order by Mayor Sangster in the Council Chambers in the City Hall at 5:00 p.m. The proceedings were as follows:

Present: Council Members VanFleet, Jewell, Sangster, Bronson, Kopernik and Lepp

Absent: Councilman Couture

Mayor Sangster stated that the purpose of the Special City Council meeting is the presentation of findings by the Police Services Committee to the City Council. He added that there will be no public comment during the time of Council discussion although public comment will be allowed at the end of the meeting; however, discussion will be limited as a Special City Council meeting specifically for public comment will be held on August 4, 2009. Mayor Sangster commented that any documents reviewed at this meeting will be available to the public at City Hall. Councilman Jewell explained the onset of the consideration to combine City Police services with the Sheriff Department as a cost saving measure. He noted that much detail, discussion, investigation and information was involved in this process. Councilman Jewell commented on the reduction of revenue coming into the City as well as continued reductions in the State Shared Revenue program. He explained that the Police Services Committee consisting of Mayor Sangster, Councilman Kopernik and himself was formed to investigate and ultimately report whether contracting with the Cheboygan County Sheriff Department for police services would be a cost savings for the City of Cheboygan. He noted that a request for the cost of two police officers provided 24/7 was made to the County. Councilman Jewell referred to the Police Services Budget Projections which includes a ten year projection of cost for City Operation – 8 Officers and Chief, and the County Operation – 7 Officer Schedule. He referred to the Proposed County costs projected for five years and commented there is no contract with the County and there will be no costs expended unless it is determined to move forward with this program. Councilman Jewell noted that a proposed contract would be for a five year period which is why the figures reflect a five year projection. He commented on continued police protection. Additionally, the building, firearms, equipment and all other miscellaneous items will remain the property of the City and with the proposed contract the City would purchase a new vehicle every two years that would remain City-owned. Councilman Jewell referred to the one-time start up cost of \$17,500 which includes new uniforms and weapons. He added that the contract would also stipulate that two officers would remain within the City limits unless assistance is needed outside the City in an extreme emergency. Councilman Jewell stated that the vehicles would be identified as Cheboygan County with the City of Cheboygan included and that the most significant difference the public would notice is the color of the uniform. He added that these preliminary findings are at a very early stage and have been a time consuming effort to ensure that all details are investigated. Councilman Jewell stated that no decisions have been made thus far and this is the first time this information has been shared with Council. He commented that a public meeting will be held Tuesday, August 4, 2009 at 6 p.m. at the Opera House to provide a presentation of the same information provided to Council, answer questions and receive public comment. Councilman Jewell also commented on the delicate and emotional aspect of this issue, the amount of investigation involved and the difficult decisions being considered because of concerns regarding the financial state of the City. He noted that all questions will be answered and no information will be withheld.

Councilman Couture entered the meeting at 5:13 p.m.

Councilman Kopernik commented on the lengthy process involved with gathering this information. Councilman VanFleet questioned the cost of utilities on the Police Services Budget Projection. City Manager McNeil explained that within the City operation is some consideration for communications and in discussions with the Sheriff Department, it was noted that the utility cost of the building and the telephones would not be under the Sheriff contract. He explained that he extracted the land line telephone charges from the other communication charges such as cell phones, radios and radio support and what is reflected under City Operation is communications along with utilities. The County Contract amount of \$622,000 includes the purchase of radios, support and any other communications with the exception of traditional telephone lines. Councilwoman Lepp asked if the new Department of Public Safety building would continue to be used by the officers. Mayor Sangster indicated that the intent is for the road patrol to use the new building and there would be the potential to see County vehicles using the facility as well. Councilman Jewell referred to termination liability expenses noting the significant difference between what the City has now and what would result in a contract with the County. He noted that over the next three years the termination liability will be a significant expense to the City and one that continuously increases but will ultimately reverse dramatically in the contract about four years out. City Manager McNeil explained that the liability would be paid in a lump sum and then the liability would be gone in the future. Mayor Sangster commented on the proposed County Contract amount of \$622,000 for a 7 officer operation in comparison to police services in 2007/2008 fiscal year. He also commented on the termination liability expense. Councilman VanFleet questioned how legal services would be handled in comparison to the current agreement with Mr. Hoffman. Councilman Jewell stated that legal services are still being looked into. He added that the \$32,000 projection for legal/accounting services through the County is estimated high and there is a possibility that number could decrease substantially although cannot be confirmed at this time. Mayor Sangster commented that the County Sheriff Department is obligated to enforce County Ordinances and State laws but is not obligated to enforce local City Ordinances. He added that cases would be handled through the Prosecuting Attorney's Office. Councilman Jewell noted that there are circumstances under City Ordinances where the City Attorney would be consulted. Mayor Sangster added that the Prosecuting Attorney's Office indicated a willingness to bid enforcement of local City Ordinances for a fee. Councilman VanFleet asked how the new police facility would be used. Mayor Sangster indicated the intent is to use the facility for the City road patrol but County patrol vehicles may come and go and is under consideration as an option. Discussion was held regarding blight issues and enforcement and whether that service would potentially be contracted out or if City staff would provide that service. Mayor Sangster commented that the Police Department is the third largest department and budget within the City. He stated that in theory, if the third largest department is eliminated, Administration would be freed-up and would have one third less to do. Also in theory, if one payment is issued to the County for their services at the end of each year, the Clerk/Treasurer would not have to worry about budgets, the secretaries, no payroll, and there is no other thing that this office would have to worry about. Mayor Sangster added that it was the consensus of the Committee that the blight issue could be resolved in-house because blight enforcement does not require a law enforcement officer. He indicated that handling blight could be an easily addressable in-house situation even under the current budget restraints with minimal additions and with one of the City's largest department eliminated, the City should have some freedoms to do some other things. Mayor Sangster commented that the County would be relied upon to provide the public safety services and that the City could then control other issues and possibly put some of the savings toward sidewalks or water quality. Councilwoman Lepp commented that the City currently has eight officers and the Chief of Police and under the County agreement there would be seven officers in the proposed arrangement. She questioned how the current City Police Officers would gain employment through the County Sheriff Department.

Mayor Sangster stated that employment would be at the discretion of the County Sheriff and Administration. Councilman VanFleet clarified that the City has no say in who will be hired to fill the seven positions within the Sheriff Department. Councilwoman Lepp asked how much influence the County Commissioners will have over the County Administration and Sheriff Department and what goes on in the City after the contract is in place. Councilman Jewell commented that the terms of the contract would be solid and any non-compliant actions would cause a breach in the contract. Additionally, any expenses incurred over the contracted amount would be the responsibility of the County. Councilman Jewell also commented on the minimal costs involved to the City should the contract with the County for police services be terminated and police services ultimately returns to the City. Councilman VanFleet asked where the savings is realized over time outside of the termination liability. Discussion was held regarding termination liability. Councilman Bronson questioned if the City audit would be less costly with the elimination of the Police Department. Clerk/Treasurer Kwiatkowski stated that the audit costs would remain the same. Councilman Bronson requested clarification on capital expenses and utilities. City Manager McNeil indicated that primarily vehicles and bullet-proof vest expenses come out of the five-year Capital Improvement Plan and utilities reflect expenses to run the same building. Councilman Bronson also requested clarification on equipment support and miscellaneous operations. City Manager McNeil explained that equipment support are costs associated with the maintenance and operation of vehicles and miscellaneous operations includes supplies, uniforms, computer support, memberships, conferences and training expenses. Councilman Bronson questioned legal services. Discussion was held and it was noted that legal services would be a contractual issue. Councilman Jewell commented that the \$32,000 - \$36,000 expense reflected under the County Operation – Legal/Accounting is the expense the City would currently pay for the City Attorney and if legal services are handled in the same manner, and does not take into account the Prosecuting Attorney. He added that this amount is anticipated to decrease because it is felt that the Prosecuting Attorney's Office can handle the cases at no cost to the City. Councilman Bronson expressed concern with the added workload to the County Prosecutor's Office and a possible request for compensation. He requested a breakdown of City Attorney expenses to compare civil and criminal fees. Mayor Sangster indicated that the information is available and already billed in that manner under two different rates. Councilman Bronson questioned if the Mt. Clemens contract for police services has been renewed. Mayor Sangster indicated he is unsure. Councilman Couture questioned if the existing patrol vehicles would be repainted to match the Sheriff Department. Mayor Sangster indicated he is unsure if the color would change but the current vehicles would be re-lettered. Councilman VanFleet asked if there are any unknown expenses. City Manager McNeil indicated that it is possible but from his analysis and the information the Committee has asked him to provide, he believes everything is covered. Mayor Sangster stated that the figures being provided are from City Manager McNeil and the proposed numbers from the County have been provided through the Administration Office. Councilman Jewell stated that the Committee agreed that the main reason for forming the Police Services Committee and conducting this investigation is to determine whether a quality police service for the City of Cheboygan could be provided at a reduced cost. Councilman VanFleet questioned the MERS liability. City Manager McNeil stated that the County does not want to accept any MERS liability that is secured to this point but would accept future MERS liability as officers would continue to receive benefits for their retirement plan. The City would be required to continue to fund those benefits that the officers have gained to this point. Discussion was held regarding the MERS retirement liability and benefits. Mayor Sangster commented on wages, fringe benefits and future union negotiations, noting that the City cannot afford to continue offering these kinds of benefits. He referred to the discussion regarding start up costs, commenting that start up costs could be considerably less because the City would be able to hire on its own terms. The fringe benefits have

been very beneficial to employees but taxpayers as a whole do not experience those fringe benefits that many in the public or government sector are benefiting from. Mayor Sangster commented on the cost of doing business, including insurances, liability, retirement and many other factors in the rising cost of providing services. He commented that the amount of true savings to be realized from streamlining intergovernmental action such as contracting with the County is unknown but is believed to be substantial over a five year period. Mayor Sangster noted the importance of receiving public comment on all sides of the police issue because everyone has a stake in this plan and a vested interest. He added that this issue has never been about reducing services, but to provide services in a more cost effective manner. Mayor Sangster indicated that public comment is now open but Council will not answer questions at this time.

Mr. Roy Hartman introduced himself and noted that he is a Police Officer with the City of Cheboygan and has been employed for approximately 25 years. He commented that this has been a great career and he has enjoyed serving the citizens of the City. Mr. Hartman stated he had an opportunity to meet with the Police Services Committee and release some of the information the officers have discovered in their research as well in order to ensure that if this process is completed, it is done fairly and in the best interest of the City of Cheboygan. Mr. Hartman expressed concern with some of the comments made tonight. He referred to Public Act 8 of 1967, the Intergovernmental Transfer of Function and Responsibility Act, drafted to direct these types of operation. He noted that this is a completely legal process and the City is entirely within its right to proceed as long as the guidelines of Public Act 8 of 1967 are followed. Mr. Hartman explained that PA 8 of 1967 provides for certain guidelines when employees from one governmental agency are transferred to another. He referred to the figure of \$26,000 for the separation liability, commented that he disputes that figure based on Public Act 8 of 1967 and from the figures he has compiled he feels that may be misinformation or he does not understand what was presented. Mr. Hartman encouraged those Council members who were not on the Police Services Committee to ask questions as to the direct figures for the buy-out of the employees and their benefits to transfer. He commented that collective bargaining was discussed and that as the Chief Steward for the POLC Union he feels that bargaining with the City over the years has been done in good faith. Mr. Hartman commented that in reference to increasing benefits, the City's benefits have not increased nearly as much as the County. He explained that it is his understanding that the Sheriff Deputies are in line for a 5% wage increase at the first of the year which would be advantageous from the standpoint of an officer moving to that wage. Mr. Hartman commented that under Public Act 8 of 1967 the officers have no grounds to dispute this process as long as the guidelines are adhered to; however, he feels that some of the comments made tonight raise concern that the guidelines will not be truly adhered to. He added that his concern is comparing apples to apples and explained that the City Police Department is currently working with seven officers plus the Chief of Police. Mr. Hartman cautioned Council that the proposal of having seven officers cover 24/7 and provide the same service is unrealistic. He added that Chief Jones throughout the summer has added road patrol duties just to fill the schedule as the Department is short staffed. Mr. Hartman commented that he questions the figures that propose seven officers providing the same services at a reduced cost. He added that he is not necessarily in opposition and does not have any right as an employee to object as long as the guidelines of Public Act 8 of 1967 are followed. Mr. Hartman noted that as a taxpayer, he is concerned that this arrangement may not be in the best interest of the City and questioned the actuality of savings.

Mr. Fred Butler introduced himself and requested clarification on the 24/7 and two vehicles. Mayor Sangster noted that the proposed agreement indicates 24/7 coverage with two vehicles. There were no further comments from the public or Council.

Adjournment

Councilman Kopernik moved to adjourn the meeting at 6:22 p.m. Seconded by Councilman Bronson. Motion carried unanimously.

Mayor Richard B. Sangster

City Clerk Kenneth J. Kwiatkowski

Councilman Nicholas C. Couture

Councilman William K. Jewell

Councilwoman Theo Lepp

Councilman Mark Bronson

Councilman Michael J. VanFleet

Councilman Roger Kopernik