

SPECIAL CITY COUNCIL MEETING
August 4, 2009

The Special City Council Meeting was called to order by Mayor Sangster in the Cheboygan Opera House at 6:00 p.m. The proceedings were as follows:

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

Absent: Councilman Bronson

Councilman Jewell moved to excuse Councilman Bronson from the meeting. Seconded by Councilman Couture. Motion carried unanimously.

Mayor Sangster stated that the purpose of this Special City Council meeting is to provide an overview and report from the Police Services Committee and invite public comment. He related the history of why the Police Services Committee was formed which includes concerns regarding the City's economic future as a result of increasing expenses, declining tax base and decrease in State shared revenue. Mayor Sangster commented that Committee Members consist of himself, Councilman Kopernik and Councilman Jewell. He explained that extensive research has been done to come up with the information being provided and that new questions being asked tonight will generate even further research so that every aspect is thoroughly reviewed. Mayor Sangster commented on the foreclosure rate, unemployment rate, and declining revenue. He noted that the budget was thoroughly reviewed and ultimately police services were identified as a possible means to reduce expenses and therefore consideration to merge services with the County Sheriff Department was under review. Mayor Sangster deferred to Councilman Jewell as Police Services Committee Chairman for a report.

Councilman Jewell noted the meeting duration of 6:00 p.m. to 9:00 p.m. and that Roberts Rules of Order would be followed. He added that everyone will be given an opportunity to speak for a period of five minutes each, following presentation of the information from the Committee. Councilman Jewell commented that if there are still questions when the meeting adjourns at 9 p.m. an additional meeting will be held to address those questions and allow everyone an opportunity to comment. Councilman Jewell referred to the City of Cheboygan – Police Services Budget Projections comparing the City of Cheboygan Operation of 8 Officers and Chief with the County Operation of a 7 Officer Schedule. He outlined the consideration to consolidate police services with the County, commenting that a decision has not been made and that the information provided is based on assumption should the City and County consolidate services. He commented on duplication of services, proposed scheduling and coverage, discretion of the Sheriff regarding hiring officers, wages and benefits information, duties to patrol the City of Cheboygan, use of current vehicles and purchase of new vehicles, use of the existing police facility, the purchase of new weapons and uniforms, and start up cost should the consolidation be absolved in the future. Mayor Sangster commented on the assurance to the public of continuing police services and that this is not about reducing any current services; this is a measure to provide the current level of services in a more cost effective manner. He also noted that consideration to consolidate police services is a very emotional issue. Councilman Jewell commented on the proposed five-year contract, 3.5% increase per year in operational projections and termination provisions. He outlined the termination liability which is payment for accrued sick and vacation days upon termination or retirement and explained the Termination Liability Fund Balance and estimated current termination liability of the Police

Department. Councilman Jewell also referred to the projected savings illustrated in the 10 year projection.

The meeting was opened to public comment.

Mr. Fred Butler introduced himself and commented that he is a taxpayer of both the City and County of Cheboygan. He stated he is also the former Executive Vice President and Chief Financial Officer for Cheboygan Memorial Hospital, a CPA for over 50 years, and former Chief Financial Officer for the New York State Police. He stated that his purpose is to show that the proposed cost estimate for the City of Cheboygan – Police Services Budget Projection dated July 28, 2009 relative to wages and fringe benefits is overstated by \$146,440. Mr. Butler referred to the proposed 2009/2010 Operating Budget adopted by Council on June 23, 2009 which includes the Police Department. He compared the Budget information to the estimates of the City of Cheboygan – Police Services Budget Projections of July 28, 2009 being presented today. He commented that the County's proposal does not include the cost of an Ordinance Officer and understates the termination liability as well as the cost of the 7 officer schedule when 10 officers would be required to staff the proposed 24/7 coverage with 2 officers. Mr. Butler provided a summary that demonstrates the City could provide the existing coverage for significantly less than the proposal from the County. Councilman Jewell commented on the information that needs to be looked at. He also commented on the budget that was adopted, noting that adjustments are made throughout the fiscal year. It is his understanding that the proposed cuts in the Police Department must come before City Council and he does not believe that Council will approve the lay off of two officers and that is what is projected in this year's budget. He explained that the number is much less than what we are showing because the projection is that we will not lay off two officers which would provide a lot less coverage than we have now. Councilman Jewell referred to the statement that fringe benefits were overstated. City Manager McNeil commented that the fringe rate includes an estimate of vacation and sick time that would be used during that particular fiscal year. He also outlined termination liability expenses. Clerk/Treasurer Kwiatkowski explained the calculation of the fringe benefit rate that includes leave time, the City's portion of social security, workers compensation, MERS contributions, and short and long term disability. Mr. Butler explained that he tested several employees and in no case did it go over 60% on the fringe benefits. Councilman Jewell requested that Mr. Butler address each concern individually so that Council can respond accordingly and others have an opportunity to speak. Councilman Kopernik requested that Mr. Butler provide a copy of the report he prepared. Mayor Sangster clarified information used in the adopted budget and prior to the budget.

Mr. George Lennon introduced himself and questioned if the County will be able to enforce Ordinances such as Blight within the City limits if the City Police Department is dissolved, or will the City be required to hire an Ordinance Enforcement Officer. Councilman Jewell explained that the County did advise that they will not handle blight. He noted that blight is currently handled within the Police Department and the Committee believes that blight can be handled within the administration we have right now with the possibility of hiring a part time blight officer which does not have to be a law enforcement officer. Councilman Jewell commented that the Committee feels that may be more effective and efficient than what we have now. Mr. Lennon also commented on staffing 7 police officers and asked if the City could lay off one officer on a rotating basis. Councilman Jewell explained the current staffing. Mr. Lennon also commented on the negative effect that dissolving the Police Department will have on the officers and the community particularly if the County does not absorb the officers. Mayor Sangster explained staffing scenarios.

Mr. Dan Bauer, Superintendent of Cheboygan Area School introduced himself. He commented on the closing of Black River and Inverness Elementary Schools and the increased number of students within the City when school is in session. Mr. Bauer noted that Council has very tough financial decisions to make and that he commends Council for setting up this public forum. He commented on his first priority of student safety, and the excellent response, investigation and cooperation from the Cheboygan City Police. Mr. Bauer noted that in addition to regular police services the district has been involved in many collaborative activities such as sporting events, extra curricular activities, DARE instructors, special presentations, emergency preparedness drills, and lock-downs. Mr. Bauer also mentioned the excellent support from the City Police Department with regard to issues and accidents involving new drivers and a collaborative effort to deter destruction of school property as a result of senior pranks. He commented that all the schools are within the City limits and conveyed concern whether the same collaborative relationship between the school system and police department would be available at the County level. Councilman Jewell commented on the importance of student safety and that he believes things could move forward with a positive relationship. He also commented on providing the same amount of coverage and the assumption of having the same officers.

Ms. Winnie Riddle introduced herself and commented on repeated reference to assumptions. She also commented on the adopted budget and confusion with regard to the projections being presented. Ms. Riddle noted the reference to hiring an enforcement officer and assurances that the City would not lose any services. She commented that the City already has an enforcement officer and that the cost of staffing a part time enforcement officer is not included in the cost projections. Ms. Riddle requested clarification on how providing police services through the County would cost less than the City. Councilman Jewell commented on meeting budget deadlines and the assurance the budget could be changed at any time, the Council's reluctance to approve a budget that indicates the possibility of two officers being laid off, and a police grant that was under review. He also commented on the uncertainty with regard to budget projections and that changes are made throughout the year. Ms. Riddle asked how the 5 year projection could be accurate if the figures are based on assumptions. She also expressed concern that services may not remain the same when the City loses control of the police services. Mayor Sangster addressed the information with regard to the County providing police services noting that the figures are set in stone because this is a fixed contract. Additionally, the City would retain control within the contract guidelines. He commented on duplication of administrative services, budget assumptions, fixed rates, and costs that will be absorbed by the County. Councilman Jewell commented on the Ordinance Enforcement Officer and taking care of blight within the current administration. He explained that if this arrangement were to happen, this frees up a lot of time on the administration we have right now. This is a third of our budget that people like City Manager McNeil and Clerk/Treasurer Kwiatkowski will not be spending on the police department any more so there will be time freed up. It would free up some of their time so they could handle the blight phone calls and things like that. He commented that a part time blight officer could be hired for much less and it is something we are going to investigate very soon.

Mr. Curtis Chambers introduced himself as Cheboygan's Harbor Master for the past 20 years, and Local Chairman of the Burt Lake Band of Ottawa and Chippewa Indians. He commented on the difficulty in making this decision. He also commented on his experiences with the City Police over the past twenty years, immediate response to calls, the professionalism and the positive relationship. Mr. Chambers referred to the contract between the County and City to oversee the City Marina and whether that would continue. He voiced his support for retaining the City Police Department.

Councilman Couture commented on the very good relationship he has had with the City police, the difficult decision and emotional aspect with regard to dissipating the City Police Department, the difficulty in putting personal feelings aside and his responsibility as an elected official to look at the numbers. He commented that he does not want to lose the services that are currently provided including blight enforcement which is very important and these are things that need to be discussed before making a decision and that no decisions will be made unless we are fully sure we are on the right track.

Chief Kurt Jones, Director of the Department of Public Safety thanked Council for holding a public meeting and all the audience members for attending. He outlined the history of the City of Cheboygan Police Division and his 30-year career. Chief Jones commented that the Department has provided excellent police and fire coverage and has served the citizens at public events, school functions, community presentations and neighborhood patrol programs at minimal expense to taxpayers. He stated that he opposes the proposed police merger with Cheboygan County primarily because he does not feel that the City of Cheboygan should give up any form of its government and as a taxpayer, he does not believe there will be any rebates or cost savings. Chief Jones explained that on January 30th of this year he was contacted by Sheriff Clarmont who advised him that he had been approached with a request that he consider a proposal to have his department take over the police operations for the City whether that would be through a merger or some other means. Chief Jones stated that Sheriff Clarmont advised him that “he did not start this, he does not want anything to do with it, and he just got out of one war and does not want another.” He added that on February 11, 2009 he again spoke with Sheriff Clarmont regarding the merger issue and requested that he stop this process. Chief Jones commented that Sheriff Clarmont indicated that he could and would put an end to it. Chief Jones noted that has not happened. He stated that on March 11, 2009 he received a visit from Commissioner Makima who is the City’s representative on the Cheboygan County Board of Commissioners. Commissioner Makima advised that the County is not trying to take over the City Police and that the Sheriff does not want this either. Chief Jones stated that he asked Commissioner Makima why the County Commission did not explain that to the City Council or the press. He noted that has not happened either. Chief Jones commented that in Mid-March he received information from former County Deputies who were also told by the Sheriff that he does not want this to happen. Chief Jones commented that the Cheboygan City Police is the only agency in the entire County that can proudly claim to have at least one car patrolling 24/7 365 days a year. He explained that a 7 Officer schedule is very difficult to operate particularly if there is someone on vacation, sick or injured, or for some reason cannot cover their shift which forces various scheduling options including overtime, part time or not covering the shift at all which is not an option for the residents of the City of Cheboygan. He commented that he believes there are many alternatives to the budget shortfall and that those alternatives would deter any lay offs within the entire City operation and not just the Police Department. Chief Jones stated he believes that the entire proposal would not save any money and that it is his belief there would be a large start up expense to the City and continued expense in years to come with no savings, plus a loss of local control. Chief Jones questioned what would happen if the City is not able to pay the County and whether that would mean that the County taxpayers would be responsible for picking up the contract costs. He also questioned what would happen if the County runs into financial difficulties and the Sheriff were forced to lay off deputies but still carry out a contract with the City. Chief Jones added that this is not about a cost savings measure and he feels that the City needs to keep its own Police Department and he believes that the majority of the citizens here tonight feel the same way. Councilman Jewell clarified that Sheriff Clarmont could not guarantee two officers for 24/7 coverage.

Mr. Jim Rausch introduced himself and commented that his main concern is whether residents will receive the same response with the County as with the current police department. He explained that he resides on a street with no lights and as a result has his own alarm system. Mr. Rausch related a past experience with immediate response from the Cheboygan City Police Department and stated that he hopes to have the same response with any new arrangement. He commented on the reference to mutual assists and questioned if the City would be left without coverage in the event a mutual assist in the County is needed. Mr. Rausch also asked if the new police facility would be used by the County and whether there would be a fee for that use. He referred to a proposed five year contract and recommended a meeting in two years to re-evaluate the program and terminate the agreement if necessary. Mr. Rausch also questioned if the decision to merge police services with the County will be put to a vote of the City residents. He commented that he and his wife would like to vote in support of keeping the City Police Department. Mayor Sangster commented that quarterly re-evaluation of the arrangement has been discussed. Councilman Jewell stated that response time would be based out of the same building and once again assuming the same officers, he feels response will be very similar. He also explained the mutual assist procedure under the proposed contract. Councilman Jewell commented that he is in favor of a two year meeting and a yearly evaluation was discussed. He also commented on termination language within the contract. Councilman Jewell explained that the new public safety building was a result of millage funds and the facility will be used for that purpose. He added that the County could be charged for that use but the fee would ultimately increase the cost to the City but if the County were to use the building for anything other than City Police services a fee would be discussed. Mayor Sangster commented on the opportunity for two governments to help defer costs, the current services the County provides in monitoring the snowmobile trails including search and rescue, and the advantage of the school liaison working with one unit of government with a common objective.

Mr. Roy Hartman introduced himself as a Cheboygan Department of Public Safety Officer who has been employed with the City of Cheboygan for about 25 years. He commented that one thing he is hearing tonight that appears to be a trend is a lot of questions that possibly Sheriff Clarmont could answer. Mr. Hartman questioned if the City Council or the Police Committee asked Sheriff Clarmont to attend this forum to possibly address some of those questions. Mayor Sangster indicated that he did not ask Sheriff Clarmont to attend. Councilman Jewell indicated he did ask the Sheriff to attend and his response was that this is the City's undertaking as it sits right now. He explained that this was never a situation to where Sheriff Clarmont contacted the City and said this is something we need to do. We went through the proper channels to address Sheriff Clarmont including going in front of the Cheboygan County Commissioners for permission to talk to him about doing this and once we approached him he sat down with us and said this is something that can be done but the only thing he has ever done is answer our questions, and provide anything we requested. Mr. Hartman stated for the record that he has no disrespect for Sheriff Clarmont and he does a fine job. He stated he would like to address Council about the success rate of police mergers. On March 31 he attended a Regular City Council meeting and offered information that he had collected regarding such agreements. The Police Officers Labor Counsel also sent requests to meet with the exploratory committee to share information they had gathered through research of their own. It was not until July 21 that we were able to meet with the Committee and when we were finally able to meet with them we provided them with documents listing communities that have entered into similar contractual agreements in which police services are provided to cities by Sheriff Departments in which they are located. Our research indicates that these types of contracted service arrangements in cities of our size generally fail by the end of the first contract term. This type of operation is only successful in communities that are much smaller and do not provide full time police services, such as villages or

smaller communities that have one or two police officers. They are generally absorbed by the Sheriff Department and in those situations, the agreements work well. Mr. Hartman explained that the City of Highland Park contracted with their Sheriff Department and re-formed their own department after one contract term. The City of Algonac contracted with neighboring Clay Township and did not renew their contract after one term. Our Research Committee is patterning their proposal after the City of Mt. Clemens who contracted with Macomb County for police services. The Mt. Clemens police officers were involved in the negotiations of the agreement between the two government entities. Mt. Clemens and Macomb County are in the third year of their five year contract and it is yet to be known whether the contract will be renewed. However, while exploring the possibilities of combining several 911 centers in Macomb County, the Sheriff was quoted in the Detroit Free Press as saying he was not interested in taking over any more police departments. The Mt. Clemens situation is unique in that they were involved in a pension for their officers under Public Act 345. This is an extremely expensive retirement program and the costs were spiraling out of control. They had several other problems that we are not faced with here that he will not provide for the purpose of saving time. Mr. Hartman commented that last week he was informed of two other agencies involved in contractual agreements of this type. Both are in Ottawa County and serviced by the Sheriff Department there. The City of Coopersville has been serviced by Ottawa County for ten years but their situation is different than ours because their city is considerably smaller and had a smaller police department. They had problems as many villages do where they hire, train and outfit the officer and then the officer would leave for larger departments. The second agency contracting with Ottawa County was the City of Hudsonville. As with Coopersville, he is unsure of the details of their agreement however, as he understands they have not reached the end of their first contract and it is yet to be seen if the contract will be renewed. He noted that population wise Cheboygan and Hudsonville are very similar but statistics show that calls for service within the City of Hudsonville are approximately 2,000 fewer in a year than the City of Cheboygan thus allowing them to operate with fewer personnel. At the Special City Council meeting of July 28, 2009 Councilman Bronson asked if any contracts besides Mt. Clemens was reviewed. Mr. Hartman indicated that Councilman Jewell stated no and Mayor Sangster concurred. Mr. Hartman asked if the information they gave to the Committee was provided to the full Council at that time. He noted that there is a model that could be explored and that is in the City of Battle Creek who has contracted with several neighboring townships where the City provides police services to those townships at a cost to the township and they did not have full-time dedicated service prior to that. Mr. Hartman commented that another issue that seems to be lost is the law of governing such agreements. Public Act 8 of 1967 the Intergovernmental Transfer of Functions and Responsibility Act sets provisions that must be followed in order to continue with this type of agreement. There are some people involved in this process that do not believe the law applies to this situation but in speaking with the City's labor attorney and asking if this law applies to us his response is why would it not apply. Mr. Hartman stated that while meeting with the Exploratory Committee on July 21 he was assured that the City would follow this law and was committed to a contract that was in accordance with Public Act 8. On July 28 at the Special City Council Meeting, Mayor Sangster made several comments that are in direct conflict with Public Act 8 of 1967. The Mayor stated that it would be up to the Sheriff on who he hired but according to Public Act 8 Article 124.534 Section 4 Paragraph i, "such employees that are necessary for the operation thereof shall be transferred and appointed as employees subject to all rights and benefits." Mr. Hartman stated that indicates to him that the Sheriff would not have the right to hire who he chose. Paragraph ii states "no employee who is transferred to a position with political subdivision shall for reason of the transfer be placed in any worse position with respect to workers compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefits that he enjoyed as an employee of such acquired system." He referred to the

projected initial cost of this transfer specifically the termination liability line on the Police Services Budget Projection document which Councilman Jewell has already addressed noting that this is the payment of sick and vacation days payable upon termination of employment or retirement as provided by the Collective Bargaining Agreement. The projection shows a \$26,200 expense which has already been addressed. Mr. Hartman added that Mr. Butler addressed that briefly and there is an account with over \$50,000 showing a \$70,000 or so cost there. He stated he questions that number. Based on the hours accumulated according to information he received from Clerk/Treasurer Kwiatkowski this cost would be \$112,777.09 and that does not include any time accrued for 2009. That is based on the numbers that were presented at the end of this past payroll week. He commented that while the City must budget for full cost of medical benefits the actual expenditure for this benefit is much less than budgeted as five officers in the Police Department currently opt out of the health care benefits and accept a buy-out for such benefits that was negotiated through collective bargaining. This saves the City a minimum of \$36,000 per year. This should be shown but it is not reflected in the line item budget for fringe. If a contract is done with the County, the County is going to bill that out as if we were all receiving full benefits. The County also offers a buy-out for their insurance but they would bill the City at the rate of the insurance. Mr. Hartman commented on the schedule explaining that two officers per shift which he understands we are no longer looking at based on 52 weeks a year comes out to 17,472 man hours. If you deduct vacation and personal leave from that the number comes out to about 9.48 officers. That will be a different number because we are not looking at operating with 8 officers or two officers per shift. However, with the proposed schedule, those positions on the schedule are filled. That does not account for any sick or vacation time and he would project that possibly a lot of that is going to end up being covered with overtime to fill those scheduled spots which again is going to affect the budget provided by the County. Mayor Sangster indicated he would like to address a few of those points and he does have the contracts from the City of Coopersville and City of Hudsonville and they specifically lay out how Public Act 8 is handled. He stated that Public Act 8 will address those needs. He explained staffing and commented on using a floater to fill vacancies. The Sheriff has the ability to use the half man from his scenario out of his work force and can address staffing problems. Mayor Sangster commented on the comparison of Coopersville, Hudsonville and Battle Creek stating that Cheboygan is unique in its location and the County seat is within the City which are advantages that he feels will perhaps maybe make this thing work. Mr. Hartman stated that with regard to the Sheriff using other deputies to cover services within the City, he suspects that will only last until the County taxpayers find out that he is subsidizing our contract to place officers in town. With regard to the other agreements he touched on, those were negotiated agreements with the police departments for services in their agencies. He added that we have not been approached to negotiate and that is a concern that we have. Councilman Kopernik commented on Rochester Hills possibly contracting for more county police services. Councilman Jewell noted that Mr. Hartman commented on looking at other contracts. He stated that one contract that the Police Committee did look at originally was the Mt. Clemens contract and he believes that every city that ever entered into any contract is always going to be unique. He commented the contract is very vague and that he has looked at other contracts such as Coopersville and Hudsonville and those contracts are once again unique in their own cities. As far as taking another contract as a template for what we want to do and reading into all those different cities, that is not something we are interested in because we want to create our own contract if we are going to go this way. Our contract needs to be extremely specific. Councilman Jewell indicated that with regard to covering Public Act 8 it is his impression that what Sheriff Clarmont is recommending in that number of \$622,000 that the officers are going to be taken care of and pretty much following the guidelines of the Act. Additionally, there are other interpretations of Public Act 8 that were different. Councilman Jewell noted that one of the contracts he reviewed showed that the officers were all hired in as new

employees at the very lowest scale. He commented that does not sound fair but what we are offering with this number of \$622,000 sounds fair. He added that all the contracts are going to be different and each will be unique. Councilman Jewell referred to termination liability in the amount of \$112,000 as indicated by Mr. Hartman and asked if the \$79,000 is a true number. City Manager McNeil stated he believes the \$79,000 figure is correct and is based on his review of the payout of what might be applicable with each of the union contracts that would be involved because there is one employee from the AFSCME Union and the officers from the Police Officers Labor Counsel and the Chief's termination would be covered by the Personnel Policy Manual. That number comes up based on his evaluation of all those documents and how they apply to each employee upon termination. Mr. Hartman indicated that he has a list of each officer's sick and vacation time that is currently on the books and he based his figures on those numbers. Councilman Jewell requested a copy of that information. City Manager McNeil indicated there may be a difference of whether vacation or sick may be paid out upon termination versus a retirement so we would have to take a look at that. He noted that Public Act 8 requires us to sit down with the union once again and negotiate. Those items would be reviewed.

Mr. Don Horrocks introduced himself and stated that he is saddened and appalled by the consideration of Council to do something different than what is already in place. He related a personal experience involving immediate response from the City Police followed by the State Police with no response from the County. Mr. Horrocks referred to the County patrol and stated we should look at the services we are getting. He referred to the campaign for the new police facility and disbelief in potentially turning the building over to the County. Mr. Horrocks referred to the proposed contract for police services and compared circumstances to a prior school issue involving bussing services which ultimately resulted in extensive start up cost if the program were eliminated. He commented on the daily involvement of the City Police with regard to the County Fair although the grounds are owned by the County. He expressed skepticism that services would remain the same with the County and that reductions across the board in the City should be considered before merging police services. Mr. Horrocks commented that the proposed figures appear frightening and are not truly representative. Councilman Jewell commented on response time and the expansive area the County covers and that the contract would specifically outline coverage for the City which would be controlled through the contract. Mr. Horrocks disagreed, stating that this is farther and deeper than just saving money in this Police Department. Mayor Sangster referred to the comment about campaigning for the new police facility, noting that Councilman Jewell was one that went door to door in a turnout uniform trying to strum up votes for this under the impression that the building was going to be used for bigger and better uses for the Fire Department and there are others that disagree on the intent of the building. Mayor Sangster commented that the building will always be in good use in this City and will not be diminished. Councilman Jewell added that the building will be used for a City police department.

Mr. James Halliday introduced himself and spoke on behalf of the efforts of the Cheboygan City Police Department, County Sheriff and State Police. He questioned if consideration has been given to contracting out the City Police Department if you did away with it and had Chief Jones set up a separate budget like you did for the County to take over the services. Mayor Sangster clarified the questions in that did the Committee ask Chief Jones to provide private services to the City. He referred to budget reductions proposed by the Chief and the budget submitted by City Manager McNeil to Council with an option for the City to cut costs but it involved cutting more police officers. He commented in answer to the question, the Council did look at another option for the City to cut costs but it involved cutting more police officers. Mr. Halliday also questioned if the Chief and the

Sergeant will be eliminated in the Department. Councilman Jewell indicated that what was stated is that their positions would be eliminated because it is a duplication of service. What we would have to have is seven officers hired at the County level and we do not know who the seven officers are but seven positions would be available that would be hired and they would be officers in the City of Cheboygan. There would no longer be a Chief of Police or a Sergeant and it is not that they would not be hired; it is their positions that would be eliminated. Mr. Halliday noted that it was indicated that there would be no pay cuts and commented that if the Chief and the Sergeant are chosen they will be taking a significant pay cut to be a County Deputy. Mayor Sangster stated that was in reference to the road patrol officers rather than administration. Mr. Halliday mentioned that you are talking about the two most experienced law enforcement officers for the City that will pretty much be gone. Councilman Jewell indicated that he was informed that if this juncture were to happen, Chief Jones would retire. Mr. Halliday also commented on the City Police presence at the school functions, the DARE program, and sporting events. He referred to the budget with the County and asked if the County would be taking over any of those functions. Mayor Sangster stated absolutely. Councilman Jewell commented that we will confirm that and that is a question that has already been brought up and is something we would definitely put in the contract. We are assuming yes and we do not want to see that change. Mayor Sangster added that they would be doing the services that they do now. Mr. Halliday commented that he thought it was mentioned that the County would only be doing patrolling. Mayor Sangster stated the County would be doing the services the City is currently getting and will not offer any less service. Councilman Jewell commented excluding blight enforcement. Mayor Sangster indicated that we would have to negotiate that into the contract. In speaking to Sheriff Clarmont that will all be done the way it is now. Mr. Halliday questioned why the Sheriff is not here since he may be taking over. He recommended a second public meeting and having either the Sheriff or Under Sheriff present to answer questions. Mayor Sangster indicated the intent to have more meetings to address the public.

Mr. Richard Lemorie introduced himself and referred to the informational charts. He commented that he feels every line item should appear on the top and the bottom as if it were a receipt and a deficit when doing a comparative analysis. Additionally, anything the City is currently responsible for in actual dollars should also reflect what the fees would be under the County so that there is an actual comparative analysis of what will either be saved or not saved. Mr. Lemorie commented on the difficulty on trying to decipher the information and before the next meeting he would like a line item and comparative analysis provided on each item. He referred to a comparison of wages. Mr. Lemorie questioned who is responsible for paying the civil liabilities for these officers. Mayor Sangster indicated that is reflected in the \$622,000 and has been looked at with the County. He noted that the City's insurance will decrease which is not reflected on the report, and the County's exposure will increase. Mr. Lemorie referred to the awareness of the declining economy back in 2007 and that the auditors informed the City last year that funds would not be coming in as anticipated yet Council opted for discretionary spending with no guarantees the City will get those taxpayer dollars back. He commented that he has a problem with eliminating our police force which is known to produce a return every day of the week. Mayor Sangster clarified that the City is not getting rid of the police force but is merely changing the color of the uniform. To reiterate, police will be on duty in the City and we are not going to get rid of them. That has never been the case.

Ms. Debbie Messler introduced herself and commented that she wanted to echo everything that has been said particularly with regard to this being a very emotional issue and the concern with the numbers. She commented on confusion with the financial information and that she does not feel there is an equal comparison. Ms. Messler referred to the figures on the 10 year projection commenting on the difficulty in seeing a \$1 million savings after 5 years as was mentioned at a

previous Council meeting. She commented on the Sergeant position noting the patrol duties involved and the detriment in taking that service off the road. Ms. Messler also commented on blight enforcement while road patrol is conducted within the City. She referred to a comment regarding eliminating the third largest department of the City which would result in reducing the administrative responsibilities of the City Manager and Clerk/Treasurer by one third. Ms. Messler noted that the contract would still have to be managed as well as the existing Fire Department. She commented on the need to have the right numbers available. Mayor Sangster explained that the figures came from the Assessor and City Manager and were not derived by the Committee. Ms. Messler reiterated the importance of having the right figures and commented that the budget is not reflective of the actual numbers to run a seven officer department. Councilman Jewell commented on using a projected budget that continually changes. He also commented on the Termination Liability Fund. Ms. Messler stated that people need to understand what the actual dollars are going to be to convert to this agreement versus what is actually being spent on this department. She commented on asking the Police Department what can be done such as eliminating some of these line items. Ms. Messler noted that a comparison is difficult when using a budget versus actual and there may be savings that are not reflected. Mayor Sangster requested a copy of the information provided by Mr. Butler. Ms. Messler recognized the amount of work the Committee put into this project. She commented on the difficulty of re-establishing a police department if the arrangement with the County does not work out. Councilman Jewell commented on the unemployment rate and likelihood in filling positions relatively quickly if the arrangement with the County were to terminate. He also commented on the opportunity at this meeting for the public to voice concerns and that public perception is negative regarding this issue. Councilman Jewell noted the amount of information provided to Council at this meeting and that the main objective is to provide quality police protection at a lower cost to taxpayers. City Manager McNeil clarified that the Committee asked him to produce numbers based on the standard operation and these are budget projections based on that assumption.

Dr. Loretta Leja introduced herself stating she is a physician practicing in town for the past 25 years. She stated that she has experienced several reorganizations at the hospital that did not turn out quite as anticipated and each time around we lost money when they went through one of these reorganizations. Dr. Leja commented that functions are lost when reorganizations like this are done. She asked if all the different functions the Chief of Police provides have been considered and whether the County will be able to take all those functions over. Dr. Leja commented there are procedures in emergency preparedness that are very important that the Chief has done in the past. The other issue is whether the Sheriff has the same kind of ownership. She related a past situation with the Chief of Police riding a bicycle at night trying to apprehend an arson suspect who was on foot. She asked if we will look at the ownership and have that same kind of coverage for the department. Dr. Leja stated that physicians that live in this community have much more dedication than those that do not. Another issue is that the County Sheriff department is spread a lot thinner than the City police and it is going to be hard for them if we are staffed better than they are. Dr. Leja commented that when considering replacing these functions such as the blight officer and those sorts of things, the cost must be included in the budget as well as liability costs. She stated that she feels there is an intangible element here and that she has worked with the Chief in the past. Dr. Leja commented that she has the utmost respect for Chief Jones, he understands people, and has a way of getting things done. Dr. Leja stated that when she had a personal emergency it took the Sheriff Department six hours to respond and she wished she had lived in the City.

Mr. Tony Damiano introduced himself as Assistant Prosecutor for over 15 years. He commented that he does not live in the City but works in the City on a daily basis with the City Police, Sheriff

Department, State Police and several other police agencies in Cheboygan County. Mr. Damiano commented on the many other factors involved in the decision making process than just looking at the numbers. He commented that one of the intangibles is community image and what the decision to disband the police department would mean to people wanting to relocate here. Mr. Damiano noted on elimination of the Chief of Police and Sergeant positions that currently support the officers, conduct investigations and provide road patrol services. He commented on the Sheriff and Under Sheriff who do not do road patrol or conduct investigative functions with their officers adding that those are just some things to consider that are not reflected in the numbers.

Mr. Eric Kaiser introduced himself and commented that he has worked in law enforcement for approximately 30 years including a little over two years in Cheboygan. He stated he also works with law enforcement in Mt. Clemens where reference was made tonight as well as Rochester Hills and that he is eminently familiar with Rochester Hills. Mr. Kaiser commented that he agrees that this is not just about numbers and that the police department is not broken; the budget is. Mr. Kaiser explained that he has worked with the officers in the City Police and the County Sheriff Department. He commented on comparing apples to apples and not apples to oranges. Mr. Kaiser explained that Mt. Clemens was used as one of the models to begin this process. He noted that Mt. Clemens had three police chiefs in five years and the police department was in absolute turmoil. Additionally, Mt. Clemens had a number of officers indicted by the Federal Government and prosecuted for violation of civil rights and assaulting citizens and were successfully convicted. He noted it is not about taking sides in that merger but that merger came about because the department for years was in absolute shambles. Mr. Kaiser stated that Rochester Hills was formed as a City in 1985 and does not have the 200 years of history that Chief Jones mentioned about Cheboygan. He explained that when the City was formed a decision was made at that time to contract with the Sheriff Department for police services to keep their citizens safe, which is not comparable to this community's change either. Mr. Kaiser stated that the budget needs work like it does all around this Country right now but there is nothing broken about the Police Department.

Mr. Gabe Jones introduced himself and commented that he is a City resident and had not planned on speaking tonight because of his personal and family relationship but he has some other concerns that have not already been brought up. He explained that the reason there is a City Police, the State Police and a County Sheriff Department is the idea of community policing. Mr. Jones related his military experiences in the Middle East as part of an infantry company to build community policing and train Iraqi police officers. He commented on the cost of lives lost during that effort and spoke on behalf of all veterans in attendance that have fought for the right of people to vote, and to allow a vote on this issue.

Mr. Joe Kwiatkowski introduced himself and commented that he is a City resident and has served the County as chief law enforcement officer and prosecuting attorney for 20 years and civil counsel for the City for the same amount of time. He commented that the first function of government is to secure its citizens in their peace, enjoyment, safety and freedom. Mr. Kwiatkowski stated that the City Police Department has provided security for over 200 years and that the Police Department is not the broken problem. He referred to City and County budgetary difficulties and commented that he does not feel the County will be eager to accept this responsibility with the numbers he has seen. Mr. Kwiatkowski noted that the function of the Sheriff is the jail, the courts, and the clerk but it is not a mandated function of the Sheriff to provide road patrol. He commented that he feels that the three considerations tonight include cost, coverage and control. Mr. Kwiatkowski noted he would not debate the cost which has been addressed well by others but the proposed comparisons do not appear

to be equal. He commented on adopting a budget that Council does not intend to follow and suggested reflecting on how Council will manage the City better. Mr. Kwiatkowski referred to the actual cost of termination liability and adding a separate expense for ordinance enforcement. He also referred to a loss of control and questioned why Council would want to give up control of the most important governmental function which is security and protection. Mr. Kwiatkowski referred to Act 8 of 1967 commenting there are some very important provisions regarding intergovernmental transfer of function and responsibilities. He pointed out that the guidelines of Public Act 8 indicate that no one shall be placed in a lesser position with respect to workers compensation, pension, seniority, wages, sick leave, vacation etc. and that there is an assumption that many of the same officers will be picked up by the Sheriff. Mr. Kwiatkowski noted his legal opinion is that Public Act 8 applies in this case and if the City officers are transferred to the Sheriff Department, those officers bump into the County system in seniority. He commented that the Sheriff is operating under a different assumption about the transfer and the issue is extremely important to the service of these officers who have served our City. Mr. Kwiatkowski stated that he feels coverage will not be the same with the transfer and that the City's image would be adversely affected as well. He commented on debating about issues and that the public is not here to debate but to voice support for our City government, our City Police Department and for control of that. Mr. Kwiatkowski recommended putting the issue up for a vote of the people that live in the City. Councilman Jewell noted he would like to comment and apologized for sounding like he is debating. He explained the budget process, difficult decisions of Council, and a proposed grant for the Police Department to save two officer positions. Councilman Jewell commented on negative perception by the public regarding the police issue and his defensive manner as a result. He explained his years of services on the Fire Department with Chief Jones and that he has the utmost respect for him and the Police Department has helped him immensely.

Mr. Skip Phelps introduced himself and reiterated what has been said about the numbers that have been presented. He referred to projected versus actual cost and a significant discrepancy in favor of the City rather than the County. Mr. Phelps explained the cost per officer savings in keeping the City Police Department and the proposed coverage listed on the schedule particularly with regard to minimal coverage on Tuesdays which may affect court testimony of officers. Councilman Jewell referred to a cover officer position. Discussion was held regarding a cover officer and the proposed schedule. Mr. Phelps also referred to the transfer of officers from the City to the County and questioned if the officers would be re-established in the City Police Department should the contract be terminated. Councilman Jewell explained that seven officers will be hired and assigned to the City of Cheboygan.

An audience member commented on assurances of the same police coverage and services through the County. He mentioned the immediate access to Chief Jones to discuss issues and the difficulty in reaching the Sheriff or Under Sheriff for any discussion. He questioned if there was any consideration to increase property taxes, implement a City income tax, or eliminate other departments particularly the Department of Public Works. Councilman Jewell indicated that there has been exploration into a City income tax and that the information is pending. He added that all departments are under review. City Manager McNeil explained that the Department of Public Works, especially the Street Department has been affected through attrition and other cutbacks so from his point of view as he administers the City budget and offered recommendations to the City Council accordingly, the Police Department in his opinion was the highest priority and that has been the last bastion for cuts. He added that the budget that has been discussed and the Council has adopted has been as a result of his recommendation. The audience member indicated a need for a City vote on the police

issue. Councilman Jewell indicated that is definitely something that could be looked into. Councilwoman Lepp commented that she has not reached a decision on the police issue and believes that of Council as well. Councilman Jewell noted the retirement of the former Street Superintendent and consolidation of management positions within the Department of Public Works.

Mr. Carl Wixson introduced himself and commented he is owner of the former Century Products. He commented that anyone who has followed his situations in the news media will know that he has had plenty of opportunity to assess the Cheboygan Police Department and he has to say it has been excellent. But the question here tonight does not seem to be are they doing a good job because it seems to be everyone's or most everyone's opinion that they do an excellent job. The question seems to be can we afford them. And his question would be could we afford to be without them because the problems that are here could very easily be a lot worse. These people are experienced and they know their job, the area and are totally efficient. He commented he is not a resident of the City but is a substantial taxpayer and he will be a lot more comfortable with a police department than he would be without one.

Mr. Amos Perry introduced himself and commented on the purchase of police vehicles as indicated on the proposed Police Services Budget Projections, adopting a budget and following the guidelines of that budget, and reducing but keeping the present City Police Department. He referred to County taxes paid by City residents and that City residents will not save money should the police services be shifted to the County. Mr. Perry requested no change in the current police structure.

Mr. Ron Williams introduced himself as a local business owner and commended Council, Mayor Sangster and City staff for dealing with such a difficult matter in an effort to remain fiscally responsible. He commented on running businesses effectively, the effect of increased taxes on businesses and customers, and the reference to generating revenue and reducing costs. Mr. Williams also commented on looking at increasing revenue rather than cutting costs in order to keep the City Police Department going during these difficult economic times.

Ms. Sue Schoenith introduced herself and commented that business owners in the City depend on Council to make decisions that are in the best interest of everyone involved. She commented on the resource of expertise that is available from residents and business owners. Ms. Schoenith also commented on the information reflected on the proposed Police Services Budget Projections and the lack of an equal comparison between the City and County, specifically scheduling. She stressed the importance of looking at written specifications of actual numbers and what the County will really provide rather than projections. Ms. Schoenith noted the increased need for law enforcement as a result of the poor economy. She recommended that Council look at who is giving the advice, what decisions are being based on, and taking the advice from people in Cheboygan that can offer their expertise.

Mr. Ray Lofgren introduced himself and commented on the difficult issues Council has had to contend with from past administrations. He commented on balancing the budget, the importance of safety for the community, clean water and police protection. Mr. Lofgren commended Council for bearing the burden with regard to the police services issue. He recommended the community attend, become involved and ask questions at City Council meetings. Mr. Lofgren commented on blight enforcement and neighborhood watches, looking at the total budget for all departments, use of the new police facility, and making a solid judgment whether or not that involves privatizing the police

department or DPW. He also mentioned that Council was elected to make the best possible decisions for the community and that he feels everyone in attendance will accept Council's decision.

Ms. Cheryl Blaskowski introduced herself noting that she is a City and County taxpayer. She commented on difficult economic times and the importance of not selling out to larger organizations that temporarily provide good services. Ms. Blaskowski also commented on finding solutions rather than losing services and requested that Council consider the community and the mistake that would be made in diminishing the City police services.

Captain Tim Robb of the Michigan State Police introduced himself and commented that he is the District Commander for the 7th District which includes 19 counties in northern Michigan from about US 10 across the State up to the Bridge. He expressed support for local law enforcement explaining that in the past five years there have been almost 4,000 less sworn police officers in the State of Michigan due to budget reductions. Captain Robb commented on the number of officers laid off from this District which lessens the number of law enforcement personnel able to serve the region. He also commented that this is a safe community because there are three professional police departments that work well together and share a common goal. Captain Robb noted the importance of law enforcement officers knowing the community as it relates to resolving issues and providing safety. He commented that he supports Cheboygan's three very professional law enforcement agencies that all serve different roles and cooperate in this safe community.

Mrs. Betty Chevalier-Magulski introduced herself and commented on the election and change in Council membership. She noted that the desire for change did not include disbanding the City or providing fewer services than what is already available and that the community is supportive but does not want Council tearing everything apart.

Mayor Sangster stated that another public meeting will be scheduled in order to provide an opportunity to answer questions brought up tonight and possibly obtain further input. He thanked Councilman Jewell and those in attendance for the input and we will do the best we can with this information. Ms. Messler requested that updated information be provided before the next meeting that provides a more accurate comparison. Mayor Sangster indicated that efforts would be made to adapt the changes and make them available to the public.

Adjournment

Councilwoman Lepp moved to adjourn the meeting at 9:00 p.m. Seconded by Councilman Kopernik. 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