

Minutes of the Clay Township Special Budget Workshop meeting held on Monday, May 10, 2004 at 5:00 p.m. in the Clay Township Board Room, 4710 Pte. Tremble Road, Clay Township, MI 48001.

PRESENT: Supervisor Joseph H. McKoan IV, Clerk Michael Pellerito, Treasurer Connie Turner, Trustee Pat Sharrow, Trustee Cindy Kirkpatrick, Trustee Beth Engel, Trustee Dr. Kasperowicz.

ABSENT: None.

Meeting called to order by Supervisor Joseph H. McKoan IV at 5:00 p.m. for the purpose of reviewing the Township Expense and Revenue funds for the upcoming fiscal year.

Citizens: None.

Also present was Mainland Fire Chief Rick Edler, Police Chief Tom Eder, Patrol Officer Patrick Foster, DPW Supervisor Jon DeBoyer arrived at 7:15 p.m., Building Official Michael Kras.

### **#207-FUND-CLAY TOWNSHIP POLICE DEPARTMENT**

Chief Eder comments:

Change in the Overtime Grant increase to \$8,500.

Photo Supplies increase to \$1,500.

Postage to \$1,000.

Enhancement 911 Revenue reduce to \$15,000.

Trustee Kirkpatrick: Questioned if training budget is enough?

Chief Eder: Overtime/Training was for \$4,000, never used, error on coding of time cards should have been for training, increase couple thousand would be beneficial for training.

Trustee Sharrow: Questioned Vehicle Equipment line \$44,000 not enough for two cars.

Chief Eder: Cost around \$21,000, \$4,000 available for equipment, did not use all equipment purchased last year, extend use of vehicles another year, anticipated costs.

Trustee Kirkpatrick: Equipment includes the Tasers?

Chief Eder: Forfeiture Account rather than tapping the General Budget.

Trustee Sharrow: O/T Grant receipts would be more where in Revenue would it go?

Treasurer Turner: Raise the Revenue line in Training Program-State of Michigan \$3,500.

Clerk Pellerito: Why lower vehicle maintenance, considering audited several years.

Chief Eder: Extended use of new vehicles last year, two under warranty, following year increase vehicle maintenance line.

Trustee Sharrow: Major purchases after the 1<sup>st</sup> of the year?

Chief Eder: Yes.

Board questioned legal fees correct.

Clerk Pellerito: Union work not billed out, explained anticipated bills, three cases right now out there.

Salaries: 3% across the board, o/t pay for Command, Patrol and Dispatch decreased.

Uniform allowance part time Police Officers, add line item of \$500.00, guidelines.

Blue Cross put 8% raise for the six months.

Trustee Dr. Kasperowicz: Negotiating Medical programs, consider savings to the taxpayers.

Clerk Pellerito: None during this budget year, next time will look at some other plans.

Light in the Pre-funded Health Care, increases since 1995 Actuary, MERS to have a program in the Post Employment Retirement Health Care business, with the Board's concurrence like to transfer assets, establish mechanism in place, secure investment for the guys retired, possible savings in the future.

Vehicle maintenance should go back to \$10,000.

Chief Eder: Explained the reasoning behind the low vehicle maintenance.

Clerk Pellerito: Don't see auto parts going down, tire change \$300 every three months per car, not used can adjust budget towards end of the year.

Dispatch Authority is formed, if monies through Homeland Security, Clay should be eligible to receive a share of that money.

Treasurer Turner: Secretarial an increase to \$10.30 an hour.

Clerk Pellerito: Discussion regarding gas increases, recommend raise the fuel line up to \$18,000.

Chief Eder: Plan to reduce miles by patrol cars working in zone districts.

Clerk Pellerito: Anticipated legal settlement costs.

Chief Eder: Use of vehicles for two years vs. one, could freeze up \$44,000 and \$4,000 from vehicle equipment.

Clerk Pellerito: Synopsis of three police litigations: Stone, Casler and Montville, expected cost, etc.

Trustee Sharrow: Commended Police Department for overtime being brought under control.

Clerk Pellerito: If in the event do not have to change the budget, would like to bring back if Board agrees that we take some of that fund balance and use it in health care.

Chief Eder: Like to use some towards training as well.

Patrol Officer Patrick Foster presentation to the Board re: the Canine Program and the Board's concerns: financial costs, productivity by Dingo, advantages, etc.

Chief Tom Eder: Thank you to the Board for their continuing support.

**#206 – FUND – MAINLAND FIRE DEPARTMENT**

Chief Rick Edler: Purchase in this year's budget a Midsize Rescue Vehicle and a fire boat, 5-year loan, \$260,000 at 4% truck payments \$118,960.00.

Amending the budget to include the FEMA Grant of \$118,945.00.

Should come under budget.

Did away with the computer purchase line.

Vehicle maintenance and building improvement lines went down.

Discussion re: FEMA and the Revenue Fund Balance.

Treasurer Turner explained how she calculated.

Clerk Pellerito: Questioned the increase in Revenue and where it came from.

Trustee Sharrow: Long range forecast, Fire Dept. have 3-4 yrs w/o vehicle purchases?

Chief Edler: Update on a fire truck that has some maintenance problems, another year by with this one.

Trustee Sharrow: Fire Department should have a fund balance of \$125,000 all the time.

Chief Edler: DDA is taking at least \$139,000 over the years of tax revenue.

Discussion followed.

Trustee Kirkpatrick: Think you are doing a great job, Department has come a long way.

**#208 FUND – DOWNRIVER RECREATION**

Treasurer Turner update: Several line items were cut out, managed to manipulate without them, brought it down to \$162,635 w/o using any fund balance which they do not have.

Raised the contribution to \$40,00 for the City and Township.

Changing expenses to one line item called recreational activities.

Master Plan is due, budgeted \$7,500.

Trustee Sharrow: Questioned donations from businesses are they solicited?

Letter sent out this year listing the activities to businesses, just a letter no problem.

Against a tax supported organization soliciting for donations,

Cindy Babisz assistance resigned, feels does not need one all the time, line item cut to \$7,000.

Trustee Sharrow: Questioned Revenue Recreational Fees increased quite a bit, planning on increasing charges to the people, wouldn't she have less revenue there?

Like to see chart indicating the areas of the people most signed up for bus trips.

Suggested get the Master Plan updated rather than re-written, save some money.

**#103 FUND COLONY ROAD ASSESSMENT**

Seventeen (17) more years on this assessment, fund balance is good so far.

**#210 FUND – RUSSELL ISLAND FIRE**

Clerk Michael Pellerito: Harsens Island Fire Department would like to take it over, they have the equipment and ML does not.

### **#211 – HARSENS ISLAND FIRE DEPARTMENT**

Questioned the following:

Looks like raising the Firemen's salary.

Turner: Thought they had some new members.

Nextel Line discussed, revenue line on the Nextel bill indicates are paying anything over the allotment, three new phone lines, \$2,600 added to the budget line will work.

Radio Maintenance jumped need a radio on the boat.

Adjusted the line items as follows:

Medical supplies appears low, raise it to \$4,000.

Lower Firemen's Salaries to \$17,400.

Telephone Line increase to \$2,600.

Gas/oil line need to raise it, new airboat will cost.

Don't change, Fire Chief DuPage must think it is enough.

### **#212 – FUND-EXPLORER PROGRAM-CTP**

### **#225 – FUND-GARBAGE FUND**

Clerk Pellerito update: Clean-up date is June 17, 2004, may have to amend this year's budget to show a contribution from General to pay for it and if considered for next year it is not in here.

Estimation is \$10,000, Clean-up on the Island and Mainland, o/t for DPW personnel per unit. Coordinate on June 26, 2004 the Household Hazardous Waste.

SUPERVISOR JOSEPH MCKOAN IV CALLED FOR A TEN-MINUTE RECESS AT 6:55 P.M.

### **#101 – FUND-GENERAL**

Trustee Pat Sharrow: Presented a proposal could save Township \$25,000 to \$30,000 annually and that is to change the salary structure for elected officials by setting a salary for the statutory duties and another compensation for hands on work that is not statutory duties. Other municipal communities are using this method, fairly new idea, explained how this proposal would work for the Township. Proposal is to reduce the annual salary down and statutory duties taken into consideration and review the different assignments they do not required by state law, jobs they resume or the Board can assign them, paid per diem for these assignments.

Lengthy discussion from the Board concerning Pat's proposal.

Advantage of the system is talented people that would probably run if the job did not require full time.

Through the money saved if any one of the officials elects not to be full time would free up money for an office manager as there is now.

Business manager in the future would be a good idea, not sure people are ready for that, and by changing the two-part salary would provide the money.

Salaries presently in place would stay until 11/20, Spring adopt resolutions to set the salaries to start November 20<sup>th</sup>, and then adopt a policy of the per diem would go in place at that time.

Lengthy discussion by the Board Members regarding this proposal.

No decision, Board will review it and bring it back to the next budget meeting.

Trustee Dr. Kasperowicz left the Budget Meeting at 7:40 p.m.

### **#209 FUND – OAKLAWN CEMETERY**

Status quo no big changes or items needed this year.

Grass mowing is being taken over by the Water Department.

Re-evaluate the cemetery fees, lot fees should be revisited, we are the lowest in the area. 252 lots only left, 4-5 years will run out of room, eventually will only have income from perpetual and internment fees.

### **#590 FUND SEWER**

Supervisor Jon DeBoyer comments re: the 2004-05 budget; like to replace the 1974 dump truck, 60,000 miles, body starting to really go.

Clerk Pellerito would like to see just a new dump truck bought and not a pick-up too.

Discussion followed regarding dump truck and a pick-up purchase.

Clerk Pellerito: Detailed update of the Harsens Island Water Line situation. BMJ has presented an agreement to finalize the Harsens Island Water line bill, \$119,704 for cost overruns in engineering, breakdown of expenses; BMJ will be at our next Board Meeting to clarify the cost. Board objects to warranty ending when this agreement is signed off. Harsens Island Water Line project: Water Dept. invested ½ million dollars into it, no way the dept. will get this money back, Clay water customers are helping to pay for the Island water line.

Bonds were sold the interest rates were much higher, many special assessments have been paid off thereby creating over the course of 20 more years an additional ½ million Dollars shortfall, resulting the waterline having a 1 million dollar loss to the water system.

Harsens Island resident Joanne Shirkey is looking to extend the waterline on Columbine, requesting an informal meeting to review the waterline on June 26<sup>th</sup>, cost for a new line would be higher then the previous cost, would need financing, looking at major problems.

Township Water Department's best interest to raise the water and Sewer rates 2-1/2 % generating .07 cents a thousand gallons, do this now since will be shortfalls and operational expenses coming up. Budget is going to come out in the red this year.

Discussion concerning the shortfall and where to off set \$55,000 a year for the next 20 years to make the shortfall on that water line.

Consensus of the Board is the Water Department should purchase the dump truck and pick-up before the rates go up.

Jon DeBoyer the equipment needed is a safety issue.  
\$800 out of every water tap goes to contributing capital which does not show in the revenue, tapping fund balance have to keep that in mind.

Schedule BMJ to come to the May 17<sup>th</sup> Board Meeting to show us how these charges are justified.

Clerk Pellerito: Explained the new audit system Gatsby 34 is very detailed. Important issues need to be resolved. ½ million shortfalls will be determined at another session. Not against the purchase of the trucks, want everyone to understand the whole picture here.

### **#591 WATER FUND**

Increase from \$2.25 per thousand gallons to \$2.32 .07-cent increase, dump truck and pick-up split between water and sewer.

### **#101 FUND GENERAL**

Equipment Line in Revenue \$30,000, what is that for?  
Car purchase, instead took on one of the police cars.

Colony Tower Restoration, add \$270,000 back into fund balance.

Trustee Sharrow: Questioned planning fees.

Building Official Salary discussed.

Line items discussed on municipal street lighting, gas, legal fees, audit fees, etc.

Next budget meeting to be held on Monday, June 14, 2004 at 5:00 p.m.

Moved by Pellerito, supported by Sharrow, **MOTION CARRIED**, to adjourn the special budget meeting at 8:49 p.m. AYES: All. NAYS: None. ABSENT: Dr. Kasperowicz.

Michael P. Pellerito  
Clay Township Clerk