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SPECIAL MEETING OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, HELD MONDAY, APRIL 28, 2008 AT 9:00 A.M. AT THE ANDERSEN ENRICHMENT CENTER, 120 EZRA RUST DRIVE, SAGINAW, MICHIGAN.

PRAYER AND PLEDGE OF ALLEGIANCE

Mayor Joyce Seals offered a prayer and led the pledge of allegiance.

ROLL CALL

Mayor Joyce Seals called the meeting to order. The following Councilpersons were present: Larry Coulouris, Daniel Fitzpatrick, Amanda Kitterman-Miller, Amos O'Neal, William Scharffe, Paul Virciglio and Mayor Joyce Seals-7.

Absent: Councilman Gregory Branch and Andrew Wendt-2.

Public Officials present were: Andy Coulouris (State Representative, 95<sup>th</sup> District); Ken Horn (State Representative, 94<sup>th</sup> District); Jacob Bennett o/b/o Congressman Dale Kilde; Mary Washington o/b/o Senator Carl Levin, Eddie Foxx (County Commissioner, District 6); and Bregitte Braddock (County Commissioner, District 10)

Also in attendance were the following staff members: Tom Fancher (City Attorney), Diane Herman (City Clerk), Tom Darnell (Director of Public Services), Odail Thorns (Economic Development Director), Gerald Cliff (Police Chief), E. Dean Holland (Fire Chief) and Jay Beelman (Information Services Director).

Also present from the Economic Development Department was John Stemple.

INTRODUCTIONS

Mayor Seals thanked all for coming and gave some opening comments on the need for state and local officials to know the City's direction.

Councilman Virciglio moved to suspend the regular order of business and use the agenda outlined for this special session.

Adopted unanimously.

COMMENTS – ELECTED OFFICIALS

State Representative Andy Coulouris mentioned he would be returning to the house for the remainder of the day to focus on the predatory lending legislation. He explained how the legislation would address the current foreclosure crisis and change the mortgage marketplace. Said Saginaw is not finished seeing foreclosures but thanked Governor Granholm for signing bills that allow MSHDA to assist families with refinancing their mortgages for a 30-year period so people could stay in their homes. Under the proposed legislation all mortgage brokers would have to be licensed with background checks.

Mentioned the State was facing a \$30,000,000-\$40,000,000 deficit which would not result in tax increases or fee increases. Said cities should realize a 3% increase in revenue sharing which was long needed. Noted Saginaw was not alone in its struggles.

Also spoke on the scrap metal legislation. Said as a prosecutor he knew it was a

difficult crime to enforce due to lack of witnesses. Said the legislation would require dealers to hold items for 15 days. Noted some scrap dealers have video footage to link items with individuals. Said the State is sensitive to the issue.

He assured Council the Lt. Governor was trying to settle the river dredging issue.

#### ECONOMIC OUTLOOK

Dr. Eric Scorsone, Extension Specialist for State and Local Government Program, Michigan State University, discussed the economic outlook for revenues and expenditures. Explained the subprime mortgage issue and said home prices are going to continue to decline. He reviewed the City of Saginaw's population decline and unemployment rate, along with the United States retail, food and auto sales statistics. Said the City's general fund revenue sources were property taxes, income taxes and State shared revenue. Expects the City's revenues to drop from \$33.98 million in 2008 to \$33.09 million in 2009. Said history has shown that a 1% decline in employment leads to a 2% decline in income tax revenues. Mentioned how Saginaw's tax cap has affected property tax revenue. Also spoke briefly on the gas tax and said there are significant shortfalls in road funding in Michigan.

#### STRATEGIC PLAN UPDATE/ISSUES

City Manager Darnell Earley spoke briefly on the FY2008-2009 budget and mentioned how the tax cap continues to stifle the City in its ability to provide services. Noted the public safety millage was eroding and said in 2011 the City will not be able to buy as much with the millage money due to rising costs. Said the FY2008-2009 budget was a no nonsense-spending plan and would require the use of fund balance to balance it. Mentioned the escalating cost of healthcare, in particular for retirees, and said the City cannot afford to continue to provide healthcare at the level it does now. He reviewed the Management Goals, Priorities and Accomplishments, which included plans for the Andersen Water Park, implementation of the public safety 5-point continuous improvement plan, the creation of the Right-of-Way Division, the change to 12-hour shifts for police, continuing labor negotiations, contracts with wholesale water customers and continued improvements to the Fiscal Services area.

#### CHARTER COMMITTEE REVIEW

City Attorney Thomas Fancher spoke on the initiation of the Charter Review Committee following the failure of the 2007 Charter Revision. Said the committee of blue ribbon members received much input from City staff and has been reviewing the Charter section-by-section, with the assistance of Dr. Scorsone and the MSU staff who have researched and provided information and language from other charters. Said the Committee plans to go out into the community for public comment and contribution. The Committee will tackle the financial sections at its next meeting on June 3<sup>rd</sup>. Once the review is complete, the Committee will make recommendations to Council for a series of amendments. The language will also need to be approved by the Attorney General before placing the amendments on the ballot for the voters.

KEY STAFF HIGHLIGHTS

Councilman Amos O'Neal said the Cities of Promise initiative was the City's silver lining to dark clouds. Said the committee is building partnerships and addressing the goals set forth in the Strategic Planning Session, (1) Public Safety, (2) Neighborhood Revitalization, (3) Economic Development and (4) Youth Recreation. He mentioned the contributions the City received and said the City needs collaboration from everyone to make it work.

Director of Development Odail Thorns and John Stemple, Planning and Zoning Coordinator, discussed the Cathedral District Neighborhood Revitalization Plan, which included accomplishments and remaining issues. Mr. Stemple said the area was divided into four zones and he briefly outlined each. He said it was important to overcome the perception that the area was unsafe. Projects for the plan include a code enforcement sweep, demolition of blighted properties, rehabilitating existing homes, City acquiring blighted properties, new construction, rail trail, neighborhood retail and infrastructure improvements. He estimated the entire plan would take 5-7 years to accomplish.

Mayor Seals noted this was the beginning. The City's plan was to revitalize neighborhood by neighborhood, but admitted it would take another pot of money. Mr. Thorns said another study would be done to determine the next neighborhood.

COMMENTS – ELECTED OFFICIALS (CONTINUED)

Jacob Bennett, representing Congressman Dale Kildee, urged City officials to contact him for grant assistance. He said Congressman Kildee will do all he can to support the City at the Federal level.

Mary Washington, representing Senator Carl Levin, said it was evident the Senator supported the City, as he was responsible for bringing the City demolition funding. Said there are grants provided on the website and instructions on how to write a proposal. Mentioned a business franchise summit which has discussion on where businesses go and what type of business the various communities attract.

Ken Horn, State Representative for the 94<sup>th</sup> District spoke on the State's economy and mentioned working with Senator Kahn to transfer property tax incentives from one business to another to help keep jobs here. Said with all the medical facilities, the State needs to look at manufacturing medical devices. Said there is not a lot of difference from a dialysis pump to a pump for a car. Mentioned the Hemlock Semiconductor project and the boost it's given the economy. Said suppliers of HSC are looking at building here to be near their resource. Mentioned Welfare Reform and the requirement for parents of children under 5 to be involved in their child's life. Said early investment in kids prevents crime in the long run.

Eddie Foxx, County Commissioner, said he would support the City anyway he can. He stressed the need for safe neighborhoods and jobs. Said the County is working with the City on the river dredging issue. Urged the City to call upon him and other County Commissioners for assistance as needed.

KEY STAFF HIGHLIGHTS – (CONTINUED)

Police Chief Gerald Cliff mentioned the police officers switching to 12-hour shifts to provide maximum use of the Department's resources with 4,000 additional man-hours.

Reported reducing response times from 12 minutes to 4.5. Gave brief details on grants the department has received and those pending. Elaborated on the ARM records system, which creates countywide crime mapping and information sharing. Said the department would be stepping up efforts to monitor false alarms, which could generate \$1,000/month in revenue. Stressed the need for the County Sheriff's Department to stay at full force.

Fire Chief E. Dean Holland explained his own hiring process and the report he completed within his first 90 days of employment, which included recommendations for the department. Said the department is working with private foundations for funding because the department's needs are expensive, i.e. a pumper truck is \$500,000 and ladder truck is \$1,000,000. Said the department is looking to assist with code enforcement efforts. Noted the successful neighborhood watch program and the October Arson Watch, which was a cooperative effort of citizens, employees and organizations. Advised of the addition of a Deputy Fire Marshal and how the department was working with the School District on fire prevention. Briefly explained the Mutual Aid Agreements with surrounding communities and how all departments are enhanced because of it.

ADJOURNMENT

At 12:15 p.m., Councilman Virciglio moved to adjourn the meeting.  
Adopted unanimously.

Diane M. Herman  
City Clerk