
SPECIAL MEETING (STRATEGIC PLANNING SESSION) OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, HELD SATURDAY, JANUARY 30, 2010 AT 8:30 A.M. AT THE GREAT LAKES CROSSROAD LLC BUILDING AT 234 S. WATER, (CONFERENCE ROOMS A & B), SAGINAW, MICHIGAN.

PRAYER AND PLEDGE OF ALLEGIANCE

Councilman Daniel Fitzpatrick offered a prayer and led the pledge of allegiance.

ROLL CALL

Mayor Gregory Branch called the meeting to order. The following Councilpersons were present: Dennis Browning, Larry Coulouris, Daniel Fitzpatrick, Amanda Kitterman-Miller, Paul Virciglio, Andrew Wendt and Mayor Gregory Branch-7.

Absent: Councilman Amos O'Neal-1.

Vacancy-1.

Also in attendance were the following staff members: Darnell Earley (City Manager), Diane Humphrey-Snowden (Administrative Assistant), Tim Morales, (Assistant City Manager for Fiscal Services), Yolanda Jones (Assistant to the City Manager/Budget Officer), Thomas Fancher (City Attorney), Diane Herman (City Clerk), Tom Darnell (Director of Public Services), Odail Thorns (Economic Development Director), Dennis Jordan (Employee Services Director), Gerald Cliff (Police Chief), E. Dean Holland (Fire Chief), Chris Seager (Information Services Assistant Director), and Carl Johnson (Plante & Moran).

(At 8:46 a.m. Councilman O'Neal arrived and took his seat.)

PERSONAL APPEARANCES

Cirven Merrill, 2216 Hosmer, Executive Director of Lifeline Coalition for Ex-Offenders, provided Council with language he requested the City add to its Purchasing Ordinance with regard to businesses discriminating against persons with felonies. Questioned how the NSP2 funds would be spent and if ex-offenders would be hired for some of the work.

Gerald Hoepfner, 930 Ash, said the water pipes from the street to the houses are old and need to be replaced. Said this would be costly for residents and questioned whether NSP2 monies could be used to for this purpose.

John Humphreys, 228 Heyn, spoke on the Saginaw Promise Zone Authority. Said it is the best economic development tool. It is about raising money to provide 2-years of college tuition for local students. If funds can be raised for 2 years, the state will kick in 2 more years. It is a benefit for the entire City, as it will bring people into the City. Said the group is meeting with a representative from the State Treasury twice monthly until it is up and running.

Bakari McClendon, 1708 Johnson, President, Houghton-Jones Neighborhood Task Force, said the Houghton-Jones area is in the greatest need for NSP2 funds and none are being allocated there. Believes the grant is pitting neighborhood against neighborhood. The Houghton-Jones neighborhood has been on a steep decline for years with high levels of foreclosures and abandonment.

Mary Washington, 1508 Essling, spoke on behalf of the Northeast Neighborhood Association and said it was one of the oldest in the City. Thanked Council for working with

them. Stressed the need for the City to create a tax base for future generations. Believes the City should look at restoring one neighborhood at a time.

Leola Wilson, 301 E. Genesee, spoke on behalf of the NAACP and said she is concerned about the Public Safety Millage. Believes the City's hiring process for public safety officers should be in line with the citizens those officers protect. Important to look at who retires from those positions and who will fill them. Spoke briefly on the Delta College newspaper cartoon and said she believes in freedom of the press but the press should not promote racism.

Larry Campbell, 4 Milan, Vice President, Northeast Neighborhood Association, spoke on the 17.4 million NSP2 funding. Said he hoped ample consideration would be given to the Northeast side as the City moves forward and collaboration with the neighborhoods on how the money is spent.

(Mayor Branch noted that Sheila Braddock, who was not present at the time the Clerk called upon her, had entered the room.)

Councilman O'Neal moved to allow Ms. Braddock the opportunity to speak, seconded by Councilman Fitzpatrick.

Adopted unanimously.

Sheila Braddock, 1410 N. 12th, the CEO for First Ward Community Center, (First Ward) congratulated the City for its success in receiving the NSP2 Grant funds. Requested that First Ward be considered when working on plans for the money. Said First Ward can train the workers. Requested that employment opportunities be afforded to all City residents.

Robert Davis, Jr., Pastor of Christ Fellowship Church, 818 N. Washington, said his church is not a church in the community but a community church. Said his church would like to partner with the City in its revitalization efforts. Said people don't care how much you know until they know how much you care.

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Councilman Fitzpatrick moved to waive the Council Rules of Order and change the Order of Business to follow the Special Agenda prepared by the City Manager, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously

REPORTS FROM MANAGER

Opening Remarks

City Manager Darnell Earley welcomed everyone and thanked all for attending. Said the Strategic Planning sessions have been ongoing since January 2006. The purpose is to bring the management team and policy makers together to make decisions in the best interest of the City. He reviewed the agenda for the session, which included Review of the 2009-2010 Audit, presentations on the NSP2 Funding, Public Safety Millage Renewal, City-Wide Organization Development and Efficiency Study and discussion on Council concerns.

Review of 2009/2010 Audit-Five Year Financial Forecast

Jerry Desloover, of Rehmann Robson, gave an overview of the City of Saginaw's Annual Financial Report (Audit) and the Report on Federal Awards (Single Audit) for the fiscal year-ending June 30, 2009. He said his firm gave an unqualified opinion. He said the City did better than predicted but that a 4% reserve was not enough.

Carl Johnson, Plante & Moran, Inc., further discussed the details of the City's Annual Financial Report (Audit) for fiscal year-ending June 30, 2009. He expounded on the decline in revenue, which included Income Tax, Property Tax and Revenue Sharing. He spoke on the City's aging infrastructure and its unfunded liabilities, which increase every year. He explained how difficult it is to enforce unpaid personal property taxes and how little would be accomplished by putting a lien on the property and/or seizing the property. He reviewed the Five Year Financial Forecast and said if the City does nothing, by the year 2014 it will have a \$19,931,206 deficit.

Neighborhood Revitalization Plan, NSP2 Funding Strategy

Director of Development Dr. Odail Thorns gave a presentation on the NSP2 Funding, beginning with a chronology of events dating back to January 2006. He explained the purpose of the funding under the American Recovery & Reinvestment Act of 2009, which included an elimination of vacant and abandoned property and redevelopment of certain properties to be purchased by citizens. He stressed the significance of this economic opportunity for the community and reviewed the targeted areas which include the Cathedral District, Covenant District, and Green Zone (an area between I-675 and N. Washington), and the need to use local companies to do the work.

Tom Miller from the Land Bank Authority explained the Authority's involvement with the NSP2 Funding. Said the City's partnership with the Land Bank was a crucial element in being awarded the grant. He reported the Land Bank had already obtained 1,400 properties, much of which are in the City limits. Said the Land Bank would provide houses for deconstruction. The redevelopment of land banked properties would fulfill the vision of "New Michigan Urban Neighborhoods."

Dr. Thorns then reviewed the timeline and implementation of the grant over the next three years and the results they expect to achieve.

Public Safety Millage Renewal 2010

Tim Morales, Assistant City Manager for Fiscal Services and Yolanda Jones, Assistant to the City Manager/Budget Administrator, spoke on the 2010 Public Safety Millage renewal. Said when the millage was passed in May 2006 it was 6 mills. At that time, revenue from the millage provided funding for a total of 31 police officers and 20 firefighters. Due to increased expenses, the general fund has had to subsidize public safety more each year in order to maintain that personnel compliment. They explained how the revenue generated by 6 mills would decrease over time while expenses increase. It was noted that increasing the mills from 6 mills to 7.5 mills would allow the City to maintain current staffing levels; however, contributions from the general fund would need to continue for operating and pension costs.

Police Chief Gerald Cliff noted the decline in crime statistics as a result of the passing of the initial Public Safety Millage, which proved that additional officers do make a

difference.

(Lunch was served from 12:00-12:37 p.m.)

City-Wide Organization Development and Efficiency Study

City Manager Darnell Early introduced Christine Andrysiak and Craig Frankland of Plante & Moran who worked on and prepared the City-Wide Staffing and Efficiency Report dated January 2010. Christine gave an overview of the economic conditions, the municipal crisis in Michigan, along with the project overview, recommendations and potential savings. She explained the loss in State Shared Revenue, Property Taxes, other revenue and the need to prepare a long-range (3-5 year) financial forecast, which the City has already accomplished. She noted how Saginaw relies heavily on income tax and state shared revenue which both are decreasing and how its inability to lift the tax cap limits available revenue sources. She stressed the need for the City to take action now, as it may be some time before the economy turns around. She explained how they received input from departments and divisions and conducted benchmarking review of similar cities in Michigan. Some of the recommendations included centralization and consolidation of functions, cross training, expanding duties for some employees, creation of new positions, layoffs through elimination and attrition and outsourcing certain services. The potential estimated savings to the City would be \$1,606,800 on the low end and \$3,090,400 on the high end. City Manager Darnell Earley assured Council members that union representatives would be properly notified. He also expressed concerns regarding the City's aging buildings, HVAC systems and equipment, and the possibility of moving offices and/or combining building operations to save costs.

Council/Administrative Issues

There was some open discussion on several topics including placing the Public Safety Millage on the August or November ballot, remaining Charter Amendments, recovering costs for demolitions, being proactive on blight, alley vacations, aging City trees and tree roots uplifting sidewalks, collection of personal property taxes, police wearing seatbelts, hours of operation for residential party stores and after-hours establishments.

MOTIONS AND MISCELLANEOUS BUSINESS

Councilman Virciglio moved to waive the Council Rules of Order and move the deadline for Council Candidate applicants from 5:00 p.m. on Friday, February 5, 2010 to 4:00 p.m. on Friday, February 5, 2010 due to the City Clerk's Office closing at 4:00 p.m. daily, seconded by Councilman Fitzpatrick.

Adopted unanimously.

Mayor Branch appointed a Subcommittee consisting of Councilwoman Kitterman-Miller, Councilman Wendt and Councilman Browning to draft the Council applicant interview questions. Councilwoman Kitterman-Miller would serve as Chair.

ADJOURNMENT

At 4:26 p.m., Councilman Virciglio moved to adjourn the meeting, seconded by Councilman O'Neal.
Adopted unanimously.

Diane M. Herman
City Clerk