

City of Sault Ste. Marie

2010-11

Goals and Budget Stabilization Priorities

**Adopted by the City Commission
March 1, 2010**

Mission Statement: The mission of the City of Sault Ste. Marie is to provide a sustainable small urban environment in an international setting for the well-being of its citizens by planning for and managing its physical development in an environmentally friendly manner, by fostering an economy to support its public and private infrastructure, and by nurturing historical, cultural, and recreational activities that enhance the quality of life within it.

The Sault Ste. Marie City Commission met in an annual Goal Setting Session on Monday, February 22, 2010 beginning at 9:00 a.m. and running until 2:45 p.m. This meeting was held in the Housing Commission Community Room located at 608 Pine Street.

The City Commission reviewed the current Mission Statement and 2020 Vision for the City of Sault Ste. Marie. In addition, the Commission reviewed the status of the current goals for the fiscal year that will end on June 30, 2010 and various economic data regarding the state and federal economy and how that may impact the City during this next fiscal year. This review included information provided by the Pew Center on the States regarding the current fiscal health of the State of Michigan, the proposed budget by the Governor, and how that impacts the City of Sault Ste. Marie in navigating the fiscal crisis, which was prepared for the ICMA for local government managers and elected officials.

The City Commission also looked at a summary of the current year budget as well as department fact sheets outlining staffing and budgets for each of the City's departments. Furthermore, the City Commission reviewed various reports and plans that have been developed for the City, including the 2003 Financial Task Force Report and the 2006 Citizens' Survey.

Due to the historic economic conditions in the State of Michigan, this year's Goal Setting Session had two separate functions. The first was to establish goals for the fiscal year beginning July 1st on various City projects and efforts. The second part of the discussion was identifying areas in which revenues could be increased or expenditures cut in order to address possible budget shortfalls during the next fiscal year and beyond.

In order to be proactive in addressing budget reductions from the State of Michigan, the City Commission examined various ideas generated by Department Heads and bargaining unit employees as well as an exercise by Department Heads showing how they would address a 10% reduction in their budgets for the next fiscal year.

As a result of these discussions, this document contains two separate parts, with the first part including a list of goals for the 2010-11 fiscal year. This follows the normal format for approving goals for the City for the fiscal year beginning July 1st. The disposition of each of these goals will be specifically addressed in the upcoming budget that is recommended to the City Commission for the Commission's review, modification, and approval in April.

The second part of the Goal Setting Session identified those areas in which either revenues could be increased or expenses decreased in order to address any shortfalls that may occur in the development of the budget or a shortfall that may result after a budget is approved by the Commission, which would require rebalancing at some point during the next fiscal year.

As part of the recommended budget, the disposition of the priority items will be discussed in the recommended budget and a secondary plan will be developed that could be implemented after the budget is adopted if it is determined that revenues for the City will fall below the amount projected as part of the recommended budget. This will give the City a specific plan to implement in this event. This plan will also help with longer range matters particularly relating to the attrition of personnel from the City in determining which positions should be filled or not filled if an overall reduction is required.

GOALS FOR THE 2010-11 FISCAL YEAR

The City Commission identified six efforts that will consume a significant amount of staff time during this coming year and reaffirmed those goals as part of the plan for the upcoming fiscal year. In addition, the Commissioners identified a number of other items that could be included in the goal setting process for consideration by the Commission. The priorities were determined based on those items that a majority of Commissioners prioritized. The number of Commissioners indicating any item as a priority are listed within the parentheses (). The other items that did not receive majority support for your review have been listed as well. During the development of the budget, staff will review all ideas listed within this report. Through the course of the year I will report on the status of the goals. I will not report on the status of the other ideas that were generated during the goal setting report.

The goals for the 2010-11 fiscal year are as follows:

A. Capital Outlay

A.1. Proceed with the construction of the Federal Building and facilitate a move of the City's governmental offices in such a way as to minimize impacts on the citizens and other customers of the City during this transition. (Ongoing)

A.2. Continue with the \$15 million Combined Sewer Overflow (CSO) Project for Phase C-1 and 2. (Ongoing)

A.3. Proceed with efforts to secure funding for the construction of a bike path on W. Portage Avenue from the power canal to Easterday Avenue. (6)

A.4. Develop a plan for the use of funding from the Cecelia M. Matheson Trust Fund for improvements to windows, locker rooms, and restrooms at the Pullar Community Building. (Approved for addition at March 1, 2010 Commission meeting.)

Other Ideas

- Move the Economic Development Corporation to the new City Hall building. (3)
- Proceed with the dredging of Ashmun Bay. (3)
- Consider an ongoing outdoor rink/recreational area for the City. (3)
- Initiate and adopt a park program. (1)

B. Community Development

B.1. Continue with the City's effort to address blight issues within the community. (Ongoing)

B.2. Finalize the effort with the DEQ, EPA, Corps of Engineers, and other regulatory agents on the Sprawl Avoidance and Resource Management Initiative (SARMI) to address the preservation and development of certain areas within the City of Sault Ste. Marie. (Ongoing)

B.3. Develop and implement the 21c3 Demonstration Project through the Michigan Municipal League to implement and demonstrate efforts that are successful in attracting 21st century employees to communities such as Sault Ste. Marie. (Ongoing)

B.4. Continue advocacy for the Soo Locks Construction Project with our federal agencies and representatives. (Ongoing)

B.5. Review the recommendations in the Walkability Study and identify a specific plan for implementing recommendations in this study. (4)

C. Miscellaneous Items

C.1. Develop a plan for possible implementation to create a burial site for cremains at Riverside Cemetery. (6)

C.2. Address the ongoing problems relating to the pay mechanism, gates, and computers at the parking structure located on Osborn Blvd. (5)

Other Ideas

- Develop a process to eliminate the need for new water and sewer customers to personally appear at City Hall to establish a new account. (3)
- Advocate an increase in the state gasoline tax. (3)
- Limit the accrual of vacation pay. (3)

Other Ideas that were Discussed but no Priorities were Placed on those Items Including

- Develop an ordinance and fee requiring citizens to utilize a standard garage sale sign from the City with a portion of the fee being returned when the signs are returned back to the City to clean-up City rights-of-way.
- Researching the disposition of oil paintings donated by the City by Chase S. Osborn
- Develop the old Pumping Station as a pavilion for use through rentals
- Consider selling the old Pumping Station

- Implement a graduated fee as part of the water and sewer utility billings based on meter size
- Secure the Steere Island structures
- Conduct a new citizen's survey indicating those services that people expect, services that could be reduced or eliminated, and thoughts on how to save tax dollars.

BUDGET STABILIZATION PRIORITIES FOR THE 2010-11 FISCAL YEAR OR BEYOND

During the Goal Setting Session, the Commission reviewed budget stabilization ideas generated by Department Heads and employees as well as ideas from a Commission perspective, on what steps could be taken to address budget shortfalls. In some cases, the items included in the Commission's priority list were also included during the review of the ideas provided by various City employees. In the cases where items were duplicated between the lists and the Commission's priorities, I utilized the highest score of the two (if they were different) for this report.

This list identifies those items that one or more Commissioners wanted to be considered as part of this plan. Priority items are those that received support from four or more City Commissioners for inclusion in this plan. As part of the budget preparation process, I will indicate the disposition of the items that are priority items as identified in this plan. From a staff standpoint, we will review all the items as well as the recommendations we have received to date for areas in which expenditures could be reduced.

REVENUES

R-1 Revenue - General

R-1.a. Initiate interest charges and/or late fees on all delinquent bills to the City of Sault Ste. Marie in addition to the property taxes. (7)

R-1.b. Create a fee for expedited plan review and building permits for development projects. (7)

R-1.c. Increase solid waste mills to cover costs for the leaf collection, composting, and spring clean-up costs at Waste Management. (5)

R-1.d. Implement a PEG Channel fee. (5)

R-1.e. Implement a cable franchise fee. (5)

Other Items Considered but not Priorities of a Majority of the Commission

- Initiate a rental registration fee. (3)
- Increase airport revenues to make it self-sustaining. (2)

- Collect a 1% fee on the City taxes as allowed by law. (1)
- Charge hotels and motels a fee similar to Marquette. (1)

R-2 Fines

R-2.a. Investigate the implementation of a fee for reimbursement of emergency services for any convictions for operating under the influence. (7)

R-2.b. Review the distribution of District Court fines to the City. (7)

R-2.c. Aggressively enforce overnight parking. (7)

R-2.d. Eliminate the use of warning tickets and write actual tickets instead. (6)

Other Ideas Considered but no Priorities were Placed on those Items

- Increase parking permits and fees. (2)

R-3 Fire and Ambulance Fees

R-3.a. Continue the transfer services agreement with War Memorial Hospital. (7)

R-3.b. Implement a fee for gas ruptures for reimbursement of emergency services when no MISS Dig or when a marked line is damaged. (5)

R-3.c. Investigate the possibility of implementing a non-resident fee for ambulance services. (4)

Other Ideas Considered but no Priorities were Placed on those Items

- Bill property owner's insurance company for all fire responses. (3)

R-4 Parks, Recreation, and Cemetery Revenues

R-4.a. Maximize the rental of ice time at the Pullar Stadium. (7)

R-4.b. Work with the County and adjacent townships to provide support for recreational services utilized by their residents in the City. (7)

R-4.c. Increase Saturday burial fees. (7)

R-4.d. Charge defense attorneys for copies of reports, CDs, and photos when provided directly or through the Prosecutor's Office to those attorneys. (7)

R-4.e. Collect perpetual care when burials occur on lots where perpetual care was not originally paid. (5)

Other Ideas Considered but no Priorities were Placed on those Items

- Charge for tables and chairs. (3)
- Charge businesses for false police alarms. (3)
- Actually charge the fee schedule for individuals requesting various police services. (2)
- Charge extra for burials after 2:00 p.m. (2)
- Charge for the use of boat launches. (1)

R-5 Revenues from the Sale of Assets

R-5.a. Sell surplus land to increase the tax base. (7)

R-5.b. Actively pursue new businesses that will increase tax base for the City. (7)

R-5.c. Provide rental space to others in the Federal Building if space allows. (6)

R-5.d. Identify and sell obsolete equipment on GovDeals. (6)

R-5.e. Explore the possible sale of the parking structure to War Memorial Hospital. (4)

Other Ideas Considered but no Priorities were Placed on those Items

- Sell the airport property. (1)

EXPENSES

E-1 Expenditure Reduction - General

E-1.a. Explore resource pooling with other governmental units for purchasing to create economies of scale. (7)

E-1.b. Use legal notices when possible for required public notices. (7)

E-1.c. Evaluate the possibility of combining services with Chippewa County for such functions as Assessing, Building Department, EDC and other areas where consolidation might be done. (7)

E-1.d. Create a new program for employee recognition. (7)

Other Ideas Considered but no Priorities were Placed on those Items

- Eliminate parking lot leases. (2)

- Eliminate the DDA Director's position. (1)

E-2 Expenditure Reductions in the DPW

E-2.a. Consolidate job responsibilities within the DPW. (7)

E-2.b. Charge for call-outs on auto accidents or require the wrecker service to clean-up debris following accidents. (7)

Other Ideas Considered but no Priorities were Placed on those Items

- Evaluate the possibility for consolidating labs between the Wastewater and Water Treatment Plant. ()

E-3 Expenditures Regarding Energy

E-3.a. Conduct energy audits of City facilities (7)

E-3.b. Replace traffic signals with LED signals. (7)

E-3.c. Monitor energy use in our various buildings and utilities more closely. (5)

E-4 Expenditure Reductions in Human Resources

E-4.a. Review each vacancy to determine the need to fill that vacancy and promote within the City when possible. (7)

E-4.b. Develop a two-tier wage schedule for new hires. (7)

E-4.c. Evaluate the implementation of the MERS Hybrid Retirement Plan for new hires. (6)

E-4.d. Consider a four day work week in some departments. (6)

E-4.e. Consider employee only coverage in health care. (5)

Other Ideas Considered but no Priorities were Placed on those Items

- Eliminate or limit the accrual of vacation pay. (3)

E-5 Expenditure Reductions Parks and Recreation

E-5.a. Consider closing Riverside Cemetery in the winter. (6)

Other Ideas Considered but no Priorities were Placed on those Items

- Eliminate early ice for the Eagles Hockey Team. (3)

- Do not open Historic Homes in 2010 due to the construction. (3)
- Carefully evaluate new programs for impact on available staff resources. (2)

E-6 Expenditure Reductions in Police, Fire, and Ambulance

E-6.a. Explore scheduling options for the Fire Hall, including 12 hour shifts. (5)

E-6.b. Review overtime use at the Police and Fire Departments and compare with other similar departments. (5)

Other Ideas Considered but no Priorities were Placed on those Items

- Consider creating a Public Safety Department. (3)
- Privatize the ambulance service. (2)
- Use volunteers to supplement full-time fire personnel. (2)
- Eliminate the water cooler at the Fire Hall. (2)
- If budget shortfalls become very serious, consider merger of the Police Department with the County Sheriff's Department. (1)
- If resources do not allow the continuation of a full-time Fire Department due to severe budget restraints, consider implementation of a volunteer Fire Department. (1)

E-7 Information and Technology Expenditures

E-7.a. Use mandatory direct deposit for payroll. (7)

E-7.b. Use emails to reduce paper use. (7)

E-7.c. Evaluate the ADP Time System to determine the value to the City prior to June, 2011. (6)

Other Ideas Considered but no Priorities were Placed on those Items

- Remove time clocks. (2)
- Eliminate ADP Time System. (1)