

A Work Session of the Kalamazoo City Commission was held on Monday, October 26, 2009 at 6:00 p.m. in the City Commission Chambers at City Hall, 241 W. South Street.

Roll Call

COMMISSIONERS PRESENT: Mayor Bobby J. Hopewell
 Vice Mayor Hannah McKinney
 David Anderson
 Don Cooney
 Sean McCann*
 Barbara Miller
 Stephanie Moore

COMMISSIONERS ABSENT: None

Also present were City Manager Ken Collard, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Commissioner Excused

Commissioner Anderson, seconded by Commissioner Miller, moved to excuse the absence of Commissioner McCann. With a voice vote, the motion passed.

Miscellaneous Communications

An opportunity was given for miscellaneous communications, but no communications were offered.

*Commissioner McCann arrived at 6:07 p.m.

Budget Presentation
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City Manager Collard provided a brief overview of the FY2009 budget development and monitoring process, the City Commission actions taken on August 3rd regarding budget reductions, and the process for developing the proposed reductions. City Manager Collard expressed empathy for the community and City employees about the budget and service reductions. City Manager Collard delivered a presentation entitled *2009-2010 Budget: City Commission 3rd Quarter Budget Presentation*. Public Safety Chief Jeff Hadley, Community Planning and Development Director Jeff Chamberlain, and Parks and Recreation Director Frances Jewell discussed the proposed reductions and service impacts in their departments. A copy of the City Manager Collard's PowerPoint presentation was included with the papers for this meeting.

City Manager Collard requested that the City Commission approve an amendment to the position allocations for FY2009 that would reduce the number of allocated positions by 32, including the layoff of 12 employees.

Discussion of the Budget Presentation

Following the presentation, City Commissioners were given the opportunity to ask questions. Discussion followed.

In response to a question from Commissioner Moore, City Manager Collard stated the contribution to the Downtown Development Authority (DDA) was a commitment the City had made, which was offset by financial commitments from the DDA to the City. City Manger Collard indicated fiscal planning and collective bargaining agreement changed made ideas like furloughs more time consuming to implement. City Manager Collard stated services should not be affected too much on an average day, but emergency situations would reveal the City's

Discussion of the
Budget Presentation
(cont'd)

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vulnerabilities. City Manager Collard reported the Administration was placing a high priority on the search for new funding sources.

Commissioner Cooney stated the City must play a bad hand, and he expressed appreciation to City Manager Collard and City staff. Commissioner Cooney indicated the proposed budget reductions struck a balance between the needs of the community and City staff, although both would be hurt.

City Manager Collard clarified the proposed position eliminations and explained the elimination of positions at this time would mean no position eliminations in 2011, according to the best projections available.

Commissioner Anderson remarked on the lag time between the economic downturn and the effect of the downturn on property values.

In response to a question from Commissioner Anderson, City Manager Collard stated the City Commission's policy, as expressed in the Five-Year Fiscal Plan, was to maintain a Fund Balance of 13-15%. City Manager Collard explained that lowering the fund balance could negatively affect the City's bond rating and would result in the City needing to borrow more through Tax Anticipation Notes.

In response to a question from Commissioner Miller, City Manager Collard reported two employees would be eligible for full retirement, four or five would be eligible for reduced retirement, and five union employees had bumping rights. City Manager Collard explained an early retirement program was not a "silver bullet" because the City would need to offer the program to similarly qualified employees.

In response to a question from Commissioner McCann, City Manager Collard stated the proposed position eliminations, if approved, would have an effect on the FY2010 budget.

City Attorney Robinson explained the City Commission was not being asked to take action on the FY2010 budget, so there was no impediment to the Commission taking the recommended action.

In response to a question from Commissioner McCann, City Manager Collard explained the Project Management Team had discovered a \$1 million shortfall in the Major and Local Streets Budget for 2010 relative to the figure presented for this line item in the FY2009 Budget.

City Manager Collard noted the proposed budget reductions were an attempt to smooth the path to the "new normal," and for this reason half the Budget Stabilization Fund would be spent in 2010, and half would be spent in 2011. City Manager Collard stated the grant-funded Public Safety Officers were not in danger of automatically losing their jobs in three years as retirements and career moves would most likely open non-grant funded positions for these officers.

In response to a question from Commissioner McCann, Human Resources Director Jerome Post stated an employee who was close to retirement eligibility had enough vacation time to carry her to the date.

Discussion of the Budget Presentation (cont'd)

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In response to a question from Commissioner Moore, City Manager Collard stated the budget reduction proposal represented the best work of department directors, and the City Commission would need to change the budget development parameters if it wanted a different result.

In response to a question from Mayor Hopewell, City Clerk Borling reported one Clerk's Office position being eliminated was vacant, and one position was occupied.

In response to a question from Mayor Hopewell, City Attorney Robinson stated two members of the City Attorney's Office would have their work schedule reduced to 32 hours per week.

In response to a question from Mayor Hopewell, Internal Auditor Ann Videtich stated her non-personnel budget had been reduced.

Recess

The meeting recessed at 8:23 p.m.
The meeting resumed at 8:36 p.m.

Citizen Comments on the Proposed Position Eliminations

When an opportunity to comment on the proposed position reductions, the following people addressed the City Commission:

Tony Wright, non-resident, spoke on behalf of the Kalamazoo Municipal Employees Association (KMEA) and expressed concern about the proposed position reductions and the extra work the remaining employees would need to do. Mr. Wright stated the Association was interested in saving positions and was willing to work with the City Administration on issues like wage freezes, furloughs, and benefit reductions. Mr. Wright indicated KMEA was willing to forgo wage increases and other benefits as long as these reductions were applied across the board to all employees.

Lionel Ford, City resident and Vice President of KMEA, stated the position reduction proposal was not equitable as 11 of the 17 positions being eliminated were KMEA positions. Mr. Ford stated the position reduction proposal was based on speculative information and noted the economy was improving. Mr. Ford reported employee morale was down.

Amendment to the Position Allocations for the FY2009 Budget

Vice Mayor McKinney, seconded by Commissioner Anderson, moved to amend the allocated positions in the 2009 General Fund by the reduction of 32 FTE's and for this reduction in force to be effective no later than December 31, 2009. The positions to be eliminated are as follows:

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|------------------------|---------------------------------|
| City Clerk's Office | Accounts Coordinator/Secretary |
| City Clerk's Office | Records and Information Manager |
| Human Resources | Training and Development Spec. |
| Information Technology | GIS Analyst |
| Information Technology | Database Administrator |
| Management Services | Clerk Cashier I |
| Management Services | Property Appraiser III |
| Management Services | Assessment/Treasury Clerk |
| Management Services | Administrative Secretary |
| Management Services | Pension Analyst |

Amendment to the
Position Allocations
for the FY2009
Budget (cont'd)

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Public Safety	CID Division Records Secretary
Public Safety	KVET Division Secretary
Public Safety	Computer Processing Offense Records Clerk (2)
Public Safety	PSO (6)
Public Safety	PSO – (10) Transfer to COPS Grant
Public Safety	Records Supervisor
Public Safety	Procurement Coordinator

In response to a question from Commissioner Moore, City Manager Collard stated the City's contribution to the Downtown Development Authority (DDA) could be renegotiated, but the value of this contribution was \$265,000 as compared to the value of the position eliminations, which was \$2 million.

In response to a question from Commissioner Anderson, City Manager Collard indicated the requested action was to eliminate 32 positions, including the layoff of 12 employees. City Manager Collard stated five of the occupied positions were KMEA positions, and seven of the positions were Non-Bargaining Unit positions.

In response to a question from Commissioner Anderson, City Manager Collard stated there would be a process of negotiation with the DDA for the current year but noted there was the potential for the DDA to make some contributions to the City that would offset the City's contribution.

Commissioner Anderson remarked that the recommended action was to amend the allocated positions for FY2009, not to approve the FY2010 budget. Commissioner Anderson stated presumably there was time to have additional discussions with interested parties prior to the FY2010 budget adoption.

City Manager Collard stated he was very pleased with Mr. Wright's comments and indicated work on the budget was ongoing. City Manager Collard stated the conversation about the budget continued to take advantage of new opportunities.

Vice Mayor McKinney remarked that there was no magic pot of gold or other source of hidden funds that would save the City. Vice Mayor McKinney stated the proposed budget reductions would allow the City to continue providing public services while searching for more solutions.

Moore – is there anything we can do about furlough days or other ways to reduce the number of layoffs.

In response to questions from Commissioner Moore, City Manager Collard stated interested parties needed to work hard in 2010 on the longer lead-time concepts like furlough days. City Manager Collard stated when these opportunities were ripe, the appropriate budget would be amended. City Manager Collard indicated the City Administration would continue to conduct quarterly budget reviews in 2010, which would probably bring the same type of combination of good news and bad news. City Manager Collard stated department directors had looked at non-personnel expenses that could be reduced, but the options in this area

Amendment to the
Position Allocations
for the FY2009
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had not been exhausted as some cost reduction measures, such as reducing costs for telephone service, took more time to implement. City Manager Collard noted 74% of the General Fund Budget was personnel costs, and wages would be frozen for the Non-Bargaining Unit employees in 2010.

Commissioner Cooney indicated he was encouraged by KMEA's willingness to bring forward new proposals. Commissioner Cooney stated approving the position reductions was the responsible thing to do.

Commissioner McCann stated the City was in this position because of decisions made at other levels of government, not because of decisions made by the City Administration or City Commission. Commissioner McCann expressed appreciation to City Manager Collard for putting all available resources on the table.

Mayor Hopewell stated the City was in the position of trying to provide services with inadequate resources. Mayor Hopewell indicated the decisions were difficult, and he thanked City Commissioners for agreeing to take up this issue at this time. Mayor Hopewell indicated he was encouraged by City Manager Collard's willingness to continue the work.

With a roll call vote this motion passed.

YEAS: Commissioners Anderson, Cooney, McCann, Miller, Moore, Vice Mayor McKinney, Mayor Hopewell

NAYS: None

Citizen Comments

Next, an opportunity was given for citizens to address the City Commission, but no comments were offered.

Commissioner
Comments

Finally, an opportunity was given for miscellaneous comments and concerns by Commissioners.

Commissioner Moore expressed concern that current Care-A-Van employees with criminal histories are not being hired by Apple Bus.

Adjournment

The meeting adjourned at 9:09 p.m.

Respectfully submitted,

Scott A. Borling
City Clerk

For City Commission approval on November 9, 2009

Approved by: _____
Bobby J. Hopewell, Mayor
Dated: November 9, 2009