

A WORK SESSION OF THE THIRTY-FIFTH COUNCIL OF THE CITY OF BERKLEY, MICHIGAN WAS CALLED TO ORDER AT 9:30 A.M. ON FRIDAY, JANUARY 10, 2014 BY MAYOR PHIL O'DWYER.

PRESENT: Steve Baker
Jack Blanchard
Tina Edgar
Alan Kideckel
Eileen Steadman
Phil O' Dwyer

ABSENT: Dan Terbrack

ALSO PRESENT: Jane Bais-DiSessa, City Manager
Matt Church, Library Director
Tom Cowell, Parks and Recreation Director
Rick Eshman, Public Safety Chief
Cheryl Printz, City Clerk
David Sabuda, Finance Director
Derrick Schueller, Public Works Director
Amy Vansen, City Planner

APPROVAL OF THE AGENDA

Moved by Councilmember Kideckel to approve the agenda
Seconded by Councilmember Baker
Motion Carried Unanimously.

CITIZENS COMMENTS

REGULAR AGENDA:

Mayor O'Dwyer welcomed everyone to today's Work Session and City Manager Bais-DiSessa provided an overview of the topic for today's meeting and a recap of the December 2013 Work Session outcomes.

DPW Director Schueller reviewed three scenarios for the City Council to consider when looking at water main replacement and repairing the roads. He noted that the lifespan of a new water main is approximately 50 plus years. He reviewed the concept of reconstruction vs. rehabilitation of the roads. Reconstruction is a complete new road, rehabilitation is the replacement of bad areas; not full depth or full width, similar to a mill and overlay or surface patching. With rehabilitation, the lifespan of the road will be approximately 10 years of extended life. Construction of a road is a full depth, full width new road with curb and gutters.

Millage Proposal

The estimated cost of a newly constructed road is 3 million dollars for approximately 1 to 1.5 miles of road. This scenario would involve seeking a millage to replace the water mains and roads throughout the City based on the most critical roads/infrastructure being replaced first.

Finance Director Sabuda reviewed the financial aspects of a millage. He noted that there is 1.79 mills left on the City's Headlee limit. This option would require two ballot proposals; one for a levy and the other to override the City Charter limit of 13 mills. He reviewed the possible scenarios of mills and water rate charges in order to fund this pay as you go option.

Bond Proposal

This scenario is to install new water mains and perform rehabilitation on the roads. Again, the order would be to replace the most critical areas first. Mr. Schueller reviewed the costs for this option, noting it would be approximately 10.1 million dollars.

Mr. Sabuda provided a financial overview of a bond issue, noting that this would be one ballot proposal. Currently there is a 1.56 mill bond in place for roads and the new project would be 1.57 mills. He noted that in October 2015, 1.13 mills expire on the current bond issue.

Millage and Bond Proposal

Mr. Schueller explained that seeking a millage and a bond proposal may allow the City more flexibility; however it would include a Headlee override, Charter amendment and bond question proposals.

Mr. Sabuda reviewed the financial numbers involved in this scenario.

City Council discussed the pros and cons of all the presented options.

Mayor O'Dwyer adjourned the meeting at 11:05 a.m. and reconvened the meeting at 11:20 a.m.

Discussion continued on the presented options to City Council. It was the consensus that Millage Proposal was not feasible, The Bond Proposal was possible, and the Combination Millage/Bond Proposal was too complicated. It was also the consensus to put together an Ad Hoc Committee to study the issue and Mayor O'Dwyer appointed a subcommittee to oversee the process consisting of Councilmembers Edgar, Blanchard, and Terbrack. Mayor O'Dwyer and City Manager Bais-DiSessa would serve as Ex-Officio members of the subcommittee.

ADJOURN

Councilmember Blanchard moved to adjourn the Work Session at 11:47 a.m.

Seconded by Councilmember Kideckel

Motion Carried unanimously.