

# TRAVERSE CITY COMMISSION GOALS AND PRIORITIES

ADOPTED APRIL 6, 2009

Status Report as of November 10, 2009

## Employee Benefit and Cost Issues

Priority Number One

### *Goal Statement*

The City of Traverse City will attract and retain the best human resources possible. However, that must be managed within the context of long-term financial sustainability.

Specific steps include the following: 1) Efforts must be initiated to reverse the trend lines for the cost of employee pensions and health insurance costs. 2) Future retirement benefits should be addressed. 3) A Wage and Classification Study should be completed to ensure that the wages that Traverse City pays are reasonable in the market place.

*1) Per the City Commission's direction, the issue of reducing pension costs has been a subject under discussion with each of the City's 6 unions. For ACT employees, there was City Commission action on June 15, 2009, to reduce the "factor" from 2.25% to 1.5% for all new hires. This reduces the cost from approximately 17% of payroll to approximately 6% of payroll for each new hire. An identical provision has been negotiated into the GME and GME CT contracts.*

*Under the ACT 345 Retirement Program that is included in the Charter for Police and Fire employees, the lowest factor that can be used is 2.0%. This factor has been negotiated from 2.8% to 2.0% for new hires into the Police Patrol and Police Captains Units. In addition, the Police Captains will begin employee contributions to the Fund. The Police Sergeants Unit and the Fire Unit are still open for negotiations.*

*The 2009/10 budget includes nine fewer employee positions for the City. This represents a 5% reduction in the size of the City workforce. Because these positions are not budgeted, they will not be filled in the future. They could only be filled if the City Commission approved a budget amendment; not recommended.*

*2) Regarding health insurance, the City is currently in the process of converting to a High Deductible program with a Health Savings Account (HSA). This program became effective on July 1, 2009 for all eligible ACT employees and all eligible members of the Firefighters Union. The conversion is under way with all six unions. Under federal regulations, some employees are not currently eligible; most due to existing Flexible Spending Accounts (FSA). The FSA program has a calendar fiscal year and will be modified effective January 1, 2010. Eligible employees can then convert either on that date or wait until the beginning of the HSA year, that is July 1, 2010.*

*Once all of the employees convert to the HSA program, the combined savings for both the City and the employees will be \$131,215 compared to the 2008 cost and \$282,924 compared to the 2009 cost of the current health insurance program. Due to the way the existing "cap" works, those savings will be divided almost exactly equally between the employer and the employee. In*

*addition, the HSA has historically experienced annual cost increases of about 5% per year compared to the annual increase of approximately 10% per year for the existing program. It is expected that the trend lines will be addressed.*

*3) A wage and classification study has been reviewed by the City Commission. On September 21, 2009, the motion to proceed on the Study failed by a 4-2 vote. Five affirmative votes are required to proceed.*

## **Infrastructure Issues**

### **Priority Number Two**

#### *Goal Statement*

The City of Traverse City will maintain its infrastructure to enhance the quality of life in the City. It will manage its assets in a way that is long-term cost effective. Infrastructure includes the streets, sidewalks and other non-motorized paths, the storm water system and the water and sewer systems.

Specific steps include the following: 1) Budget not less than one (1) mill per year in this and future budgets for street and sidewalk repair and maintenance activity. 2) Revise special assessment provisions as necessary to eliminate the negative impact on repair and maintenance activity. 3) Design and implement a 10-year strategy for asset management. 4) Work with MDOT on Division Street improvements that value both motorized and non-motorized transportation users for a possible 2010 project.

- 1) Included in the 2009/10 budget.*
- 2) The ordinance requiring special assessments has been repealed. The City Commission has adopted a new infrastructure policy that establishes funding priorities.*
- 3) The Asset Management Program is under design. The City Manager is receiving an update on November 12, 2009. Presentations to the City Commission are expected in December.*
- 4) Following extensive meetings with MDOT, a computer traffic model was created and presented to the public. Once the final reports are available from the Grand Vision process, the City expects to issue an RFP for an engineering firm to undertake a public intensive review of alternatives that is expected to result in a "preferred option". If the preferred option requires additional ROW, that question would be scheduled for the November 2010 ballot.*

## **The Bayfront, Parks and Open Space and Regional Issues**

### **Priority Number Two**

#### *Goal Statement*

The City of Traverse City values its Bayfront, parks and recreational facilities and other regional assets that contribute to its unique Quality of Life. The City will work both independently and cooperatively with regional jurisdictions to maintain and enhance these assets, recognizing that equity requires redistribution of some of the costs of regional assets.

Specific steps include: 1) Initiate necessary actions to begin implementation of the Bayfront Plan. 2) Consider regional funding opportunities for regional assets including a) the Senior

Center, b) Hickory Hills, c) the Opera House and d) the Heritage Center. 3) Consider greater regional cooperation in the operation of the water and sewer operations. 4) Consider greater regional coordination for active recreational programs.

- 1) *Grant applications for enhanced crosswalks are in process. Work is progressing on locating/designing/funding a restroom building. Chain link fence was reduced and removed during the summer of 2009. More information is expected this December.*
- 2) *a. working with County for Nov. 2010 millage election  
b. working on an advisory board for specific inputs  
c. possible alternatives including Wharton's is currently under discussion.  
d. no significant progress*
- 3) *Until the townships have the Septage Plant issue under control, it will be difficult to raise new issues with them.*
- 4) *No significant progress.*

## **Fire Department Issues**

### Priority Number Four

#### *Goal Statement*

The City of Traverse City will provide quality fire prevention and suppression services. However, that must be managed within the context of reduced costs and a recognition of the regional resources available.

Specific steps include the following: 1) Initiate discussions with the Metro Fire Department and other service providers regarding the possible consolidation of the fire departments or service delivery. 2) Revisit operations to look at what and how services are provided. 3) Obtain public input regarding the level of services with related costs. 4) Review regional options to provide fire services to surrounding entities. 5) Through attrition, reduce the size of the department to a size comparable with similar communities in Michigan. 6) Within a reasonable timeframe, ensure that the cost and revenue for providing services to the Airport are neutral. 7) Consider the possible consolidation of police and fire into a Department of Public Safety.

*The issues addressed to date are to make the Airport Fire Contract cost neutral and to reduce the number of budgeted positions by 4 or 13%. The Citizen Survey has been deferred. The matter of "right sizing" the Fire Department is under review. Larger regional issues have not yet been addressed.*

## **DDA/TIF Issues**

### Priority Number Five

#### *Goal Statement*

The City of Traverse City will maintain and enhance a vital downtown as a core regional asset that creates jobs and tax base. Recognizing the significant local tax dollars involved, DDA issues must be managed within the context of benefiting the entire community.

Specific steps include the following: 1) Examine and report on the available alternatives regarding the term and structure of the TIF Districts. 2) Examine and report on the costs and benefits of contracting out APS and available alternatives. 3) Examine and report on alternatives to transition TIFs and the DDA when the TIF terms expire.

1. *The TIF II District is scheduled to expire in 2016 and all remaining revenues have been pledged to the Old Town Parking Deck Bond. Similar discussion on TIF 97 are expected in the calendar year 2009.*
2. *Some limited staff discussion has occurred.*
3. *Some limited staff discussion has occurred.*

## **Police Department Issues**

Priority Number Five

### *Goal Statement*

The City of Traverse City will provide quality police public safety services. However, that must be managed within the context of reduced costs and a recognition of the regional resources available.

Specific steps include the following: 1) Initiate discussions with the Sheriff's Department or other service providers regarding the integration of additional services, such as road patrol. 2) Revisit operations to look at what and how services are provided. 3) Obtain public input regarding the level of services, with related costs. 4) Review options to provide police services to surrounding entities. 5) Through attrition, reduce the size of the department to a size comparable with similar communities in Michigan. 6) Consider the possible consolidation of police and fire into a Department of Public Safety.

1. *Discussions have been initiated with the County and the Sheriff. Specific discussion is expected at the November 23 Study Session to determine priorities.*
2. *Reviews with the County have revealed cost centers like Central Records that can be addressed.*
3. *The Citizen Survey has been deferred.*
4. *This item is partially included in #1.*
5. *Under review.*
6. *Under review.*

## **Economic Development Issues**

Priority Number Seven

### *Goal Statement*

The City of Traverse City will maintain and enhance its role as the economic core of the five-county region. However, that role must be managed with recognition that the neighborhoods and corridors outside of the downtown are central to Traverse City remaining a community with a high quality of life for its residents. Community Development must become a larger part of Economic Development.

Specific steps include the following: 1) Create a new Community Development Office within the City organization to focus efforts on the vitality of the neighborhoods and corridors outside of the DDA, bringing the services currently contracted to the EDC in-house. 2) Create specific goals for the new Office and review the status and effectiveness of the Office after one year. 3) When considering local tax incentives for new developments, ensure that the benefits outweigh the cost of the local incentives.

- 1) *Done.*
- 2) *Partially done. The position is created with the Job Description serving as a goal outline. Will reevaluate over time.*
- 3) *Continuous.*

### **Other**

In addition to the above, the City of Traverse City will continue current efforts to: 1) complete the Master Plan, 2) address affordable housing, 3) complete the Solid Waste Services Study, 4) complete the Old Towne Parking Deck, 5) address West Front Street parking and continue other ongoing activities.

- 1) *Completed.*
- 2) *Some issues addressed (NEZ, zoning lot sizes) but will be an ongoing effort.*
- 3) *Consultant retained. Expect completion of report in 2009 for 2010 implementation.*
- 3) *Deck under construction.*
- 4) *In process.*

### **Other Major Ongoing**

1. Boardman River Dams Removal
2. Budget/Capital Improvement Program
3. Benchmarking Study
4. Charter on PEG
5. The Performance 2009