

BIRMINGHAM CITY COMMISSION MINUTES
MAY 11, 2019 BUDGET PUBLIC HEARING
MUNICIPAL BUILDING, 151 MARTIN
8:30 A.M.

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Patty Bordman, Mayor, called the meeting to order and opened the public hearing at 8:30 a.m. There were no representatives from the public in attendance.

II. ROLL CALL

ROLL CALL: Present,	Mayor Bordman	
	Mayor Pro Boutros	
	Commissioner DeWeese	
	Commissioner Hoff	(Left at 10:00 a.m.)
	Commissioner Nickita	
	Commissioner Sherman	
Absent,	Commissioner Harris	

Administration: City Manager Valentine, Assistant City Manager Gunter, City Attorney Currier, Police Commander Albrecht, IT Director Brunk, Police Chief Clemence, Interim Fire Chief Wells, Assistant Fire Chief Bartalino, Planning Director Ecker, DPS Manager Filipski, Finance Director Gerber, Building Official Morad, Library Director Craft, City Clerk Mynsberge, Deputy City Engineer Fletcher, Museum Director Pielack, HR Manager Myers, BSD Director Tighe, Deputy Finance Director Wickenheiser, DPS Director Wood

III. BUDGET PRESENTATION

City Manager Valentine thanked Finance Director Gerber and his staff for their work on the budget. He presented highlights of the proposed 2019-2020 fiscal year budget:

- A 2% decrease from the prior fiscal year amended budget, primarily due to carry over cost from the N. Old Woodward project in the 2018-2019 fiscal year.
- The equivalent of an additional 2 full-time positions and carryover of 3 transitional positions based on operational needs going forward.
- A general fund which remains within the threshold of 17-40% represents a 38% fund balance. This will reinforce Birmingham's Triple A Bond Rating as the City seeks bonding opportunities for capital improvement projects in the future.
- \$14.4 million in capital improvements to address infrastructure needs, including Maple Road project.
- Overall millage rate is proposed to decrease for the 5th consecutive year.
- Pressures of the Headlee Act are upon us; therefore, we are bumping up against the cap and pushing off as long as we can.
- Adjustments to the water and sewer rates: The water rates will remain flat for the 2019-2020 Fiscal Year. Sewer rates will increase about 3.4%.

1. BUDGET VIDEO

IV. DEPARTMENT PRESENTATIONS AND DISCUSSION

2. GENERAL FUND

CITY COMMISSION

City Manager Valentine reported a 18% increase, primarily attributable to the computer equipment rental charge and miscellaneous funds for an additional training/planning session this fall.

MANAGER'S OFFICE

City Manager Valentine reported a 4% increase, attributable to the labor burden cost and computer rental fund.

CITY HALL AND GROUNDS

City Manager Valentine reported a 2% increase, attributable to labor burden cost and installation of new carpet in the police department.

PROPERTY MAINTENANCE-LIBRARY

City Manager Valentine reported a 59% increase, attributable to loading dock repairs at the library totaling approximately \$20,000.

LEGAL

City Manager Valentine reported a 2% increase in retainer fees for labor negotiations occurring in the 2019-2020 fiscal year.

HUMAN RESOURCES

Human Resources Manager Ben Myers reported a 1.3% decrease, attributable to an update in asset allocation for computer equipment, decrease in new hire physicals, and an adjustment in education reimbursements.

CITY CLERK

City Clerk Mynsberge reported a less than 1% increase primarily due to the labor burden, computer equipment rentals, and the completion of capital improvements.

ELECTIONS

City Clerk Mynsberge reported an increase of 50%, due to the trend of increased turnout and the need for additional election inspectors to manage the turnout. She also reported an 11% increase in the supply budget due to inflation. The annual posting fees will now come out of the elections budget. The expense of the August election will not affect this budget.

FINANCE DEPARTMENT

Finance Director Gerber reported a 1.3% increase, attributable to computer equipment costs and the labor burden due to pension contributions and employee opt out option for insurances.

TREASURY

Finance Director Gerber reported a 3.2% increase, attributable to computer equipment and labor burden related to union contract wage increases and pension contributions.

ASSESSING

Finance Director Gerber reported an increase of 6.4% due to Oakland County contract but does not anticipate using the total amount.

GENERAL ADMINISTRATION

Finance Director Gerber reported an increase of 22%, attributable to estimated costs for potential increases in compensation.

TRANSFERS OUT

Finance Director Gerber explained increases in the budget for transfers out to major street funds due to the Maple Street project. Local streets will remain flat; there is a small decrease in capital projects fund and 48th District Court security improvements.

PENSION ADMINISTRATION

Finance Director Gerber explained this fund records pension costs, actuarial fees, and the costs of Comerica handling the processing of retirement checks. The fees are reimbursed to the general fund by the pension fund, so it has zero net effect on the general fund.

**COMMUNITY DEVELOPMENT
PLANNING**

City Planner Ecker reported a 22% decrease, attributable to less being budgeted for the master plan and labor burden. She also projected \$163,000 for contractual services; including the master plan, traffic analysis, scanning paper documents, bike racks, and bike and pedestrian counts.

City Manager Valentine and the Commission acknowledged City Planner Ecker's birthday with song.

BUILDING

Building Official Morad reported a 7% decrease, attributable to the anticipated office renovation and reduced contract inspections. Other contractual services are for code enforcement work and contract plan reviews done by McKenna and Associates.

PUBLIC SAFETY

Police Chief Clemence and Police Commander Albrecht reported a 4.73% increase, attributable to labor burden and an additional full time employee.

DISPATCH

Police Chief Clemence reported a 1% increase, due to the labor burden.

LAW & DRUG ENFORCEMENT FUND

Police Chief Clemence reported anticipated revenue from drug forfeiture funds. He also reported replacing in-car video systems. He has an officer assigned to the FBI Crime Task Force and the City will benefit between 43k and 55k in forfeiture sharing. The new legislature relative to forfeitures will not impact Birmingham. The City only forfeits after a conviction.

FIRE

Assistant Fire Chief Bartalino reported a 3% increase, primarily attributable to the labor burden, machinery, and equipment.

EMERGENCY PREPAREDNESS

Assistant Fire Chief Bartalino reported an increase of 9% due to telephone usage cost appropriately transferred to EMS.

ENGINEERING

Assistant City Engineer Fletcher reported an increase of .25%.

SIDEWALKS

Assistant City Engineer Fletcher reported a decrease of \$1m due to the N Old Woodward and Maple Street Phase II projects. There were more sidewalks in Maple Street project Phase I.

ALLEYS

Assistant City Engineer Fletcher reported a \$400,000 increase due to the Pierce Alley project. He also reported that the Pierce Alley project meets the budget.

PUBLIC SERVICES

DPS Director Wood and DPS Manager Filipski reported a 5% increase, primarily attributable to computer rental reallocation.

PROPERTY MAINTENANCE

DPS Director Wood reported a less than .1% increase.

WEED/SNOW ENFORCEMENT

DPS Director Wood reported Increased 11% to contract snow removal and mowing for ordinance violations. Historical data is driving estimated cost.

ICE SPORTS ARENA

DPS Director Wood reported a slight decrease to the operations budget. Future improvements are included in the Parks bond.

COMMUNITY ACTIVITIES

DPS Director Wood reported a 2.6% decrease, primarily attributable to adjustments to the prevailing wage of union labor and union wage increases.

PARKS & RECREATION

DPS Director Wood reported a 4.2% increase due to labor burden adjustments and fluctuations of other contractual services. Allocations for City logo change on park signs are included.

3. SPECIAL REVENUE FUNDS

MAJOR STREETS

Assistant City Engineer Fletcher reported a \$1.5m increase mainly due to the Maple Road Phase II project and resurfacing of Coolidge which will happen this fall.

LOCAL STREETS

Assistant City Engineer Fletcher reported a decrease of approximately \$2m largely attributed to Maple Road Project Phase II. Stanley Street will be resurfaced with a thin coat of asphalt. It has

deteriorated quickly due to the quality of the asphalt mix. When estimating construction cost, the market is watched and demand anticipated. Different aspects that come into the total cost are now viewed in more detail.

COMMUNITY DEVELOPMENT BLOCK GRANT

Finance Director Gerber reported no change based on department allocation. The doors at the Tennis Bubble and Fire Station are the two ADA compliance projects scheduled for this fiscal year. This is the end of updating City facilities. The contract will go to a service provider.

SOLID-WASTE DISPOSAL

Finance Director Gerber reported a 2.7% increase due to adjustments set by SOCRRA contract cost. The waste providers' contract is in effect until 2027. City Manager Valentine expressed that the administration is satisfied with the exceptional level of service provided by this contractor. He also noted that the current provider has a reliable recycle acceptance facility. Universal pick up is under review.

4. ENTERPRISE FUNDS

AUTOMOBILE PARKING SYSTEM

Assistant City Manager Gunter reported 8% increase and relative to projected activity toward the end of the current fiscal year. Costs will be up by 16% primarily due to the delayed major garage rehabilitation project on levels 4 and 5. The monies are now applied to the 2019-2020 budget.

- Revenues remain steady with variations of about 3% annually in the negative.
- City sponsored valet program remains as a regular program
- Data Analytics program: Smart Key, approved last year, provides real-time occupancy information on street parking meters and garages. This progress allows us to move forward with a parking application that would show people parking availability in real time on their mobile phones.
- Working with the parking operator to move forward with the SP Plus proposal. Key performance indicators are being developed to support SP Plus's pay model.
- Structural assessment cost of all the City's physical assets for the parking system is included in this budget.

City Manager Valentine explained that only operating costs are included in this budget. Bonds are not in the budget. He also expressed that if the bond initiative wins the vote, operating costs will decrease because maintenance will not be done this fiscal year.

WATER SUPPLY SYSTEM

Finance Director Mark Gerber reported a 3% increase attributable to an increase in public improvements. There is sufficient cost stabilization; therefore, water rate will remain flat.

SEWAGE DISPOSAL

Finance Director Gerber reported a 3.4% increase; budget resolution will reflect actual rates. Sewerage is continually an issue due to cost of filtration after use.

MUNICIPAL GOLF COURSES

DPS Director Wood reported an increase in the Lincoln Hills budget of approximately 11% due to renovation projects. The Springdale course budget increases by 7% due to capital improvement projects.

Increasing revenue this year will speed up repayment of obligation. Tree and patio renovations will fund future growth. New events and early memberships are generating new revenues. Membership increased due to the Royal Oaks closure. Trees planted at the golf courses are allocated appropriately.

Mayor Bordman recessed the meeting at 10:00 a.m. and reconvened the meeting at 11:30 a.m.

5. INFORMATION TECHNOLOGY

IT Director Brunk reported a 7.6% decrease from prior year's budget due to reduced hardware and software purchases. Quotes for a better streaming vendor are being evaluated.

City Manager Valentine expressed that there are reimbursement options through City of Birmingham grant programs. IT Director Brunk confirmed appropriate measures have been taken to guard the network, and backups of all servers are run daily and kept independently. City Manager Valentine confirmed the intent to continue using an IT consultant rather than bringing the function in-house.

Mayor Bordman recessed the meeting at 12:00 p.m. and reconvened the meeting at 12:48 p.m.

6. BIRMINGHAM HISTORICAL MUSEUM **ALLEN HOUSE**

Museum Director Pielack reported a .5% decrease, attributable to the completion of existing projects and scheduled new projects balancing themselves out. The decrease may be up to .6%.

HUNTER HOUSE

Museum Director Pielack reported an increase by \$20,000 due to some minor renovations but will decrease from 2019-2020 by \$25,000 in 2021.

7. PRINCIPAL SHOPPING DISTRICT (PSD)

BSD Director Tighe reported an increase of \$150,000 for valet services during construction, \$250,000 for marketing and advertising cost related to construction, and \$30,000 for the shopping district. The receipts on this investment were huge and yield a very good return on investment. The entire budget increased 20% due to support of construction. The department is solvent for the next five years based on projections.

8. BALDWIN PUBLIC LIBRARY

Library Director Koschik introduced a flat budget plus millage to fund the youth room project. The project will continue until 2021. Each year the numbers will decrease over the next two years. Operating expenses are not increasing. Groundbreaking for the next phase of construction is next August after the summer reading program.

9. BROWNFIELD REDEVELOPMENT AUTHORITY

Finance Director Gerber explained the increase is to reimburse developers for the environmental costs incurred which were then approved by the Brownfield Redevelopment Authority. Unable to capture because the amounts are not in yet.

10. TRIANGLE DISTRICT CORRIDOR IMPROVEMENT AUTHORITY

Finance Director Gerber reported no activity.

11. GREENWOOD CEMETERY PERPETUAL CARE FUND

City Manager Valentine reported that this fund was created to take proceeds from the sales of plots to invest in maintaining the cemetery. Ground penetrating radar proves to be an appropriate expense for perpetual care from 1718 FY17/18¹. Funds are still available from 2 years ago. Improvements this year were not charged to cemetery but absorbed by the city. The cemetery should follow the same rules as golf course and pay for their own operational expenses. Accounting for the cemetery supporting itself will begin this fiscal year.

12. DEBT SERVICE FUND

Finance Director Gerber reported on the retirement of the parks and recreation bonds, all part of the debt levy. Future debt service payments are going up and a drop off in 2022. The City has a lot of bond debt retiring in the next five years.

13. CAPITAL PROJECTS FUND

Finance Director Gerber noted the listings of things in process. They are all coming out of the capital projects fund. A good summary of projects is listed.

14. PUBLIC COMMENT

None.

The Mayor closed the public hearing and adjourned the meeting at 1:04 p.m.

J. Cherilynn Mynsberge
City Clerk

¹ As corrected on May 20, 2019.