

A BUDGET WORK SESSION OF THE THIRTY-SIXTH COUNCIL OF THE CITY OF BERKLEY, MICHIGAN WAS CALLED TO ORDER AT 6:30 PM ON TUESDAY, MAY 9, 2017 BY MAYOR PRO TEM BAKER

PRESENT: Steve Baker
Jack Blanchard
Colleen Graveline
Eileen Steadman (arrived at 6:40 p.m.)
Daniel Terbrack

ABSENT: Alan Kideckel
Phil O'Dwyer

ALSO PRESENT: Matthew C. Baumgarten, City Manager
Darchelle Strickland Love, Deputy City Manager
Sabrina Lilla, Finance Director
Phommady A. Boucher, City Clerk
Derrick Schueller, Public Works Director
Shawn Young, Public Works Foreman
Theresa McArleton, Parks and Recreation Director
Dan McMinn, Parks and Recreation Arena Manager
Scott Jennex, Parks and Recreation Manager

APPROVAL OF AGENDA

Councilmember Terbrack moved to approve the Agenda.
Seconded by Councilmember Blanchard
Ayes: Blanchard, Graveline, Terbrack, and Baker
Absent: Kideckel, Steadman, and O'Dwyer
Nays: None
Motion Carried.

CITIZEN COMMENTS:

Dennis Hennen, Berkley resident at 2411 Earlmont, inquired about the funds for the Annual Public Safety Golf Outing and the Brand Trademark.

BUDGET WORK SESSION: Matter of a discussing the proposed 2017-2018 City of Berkley Budget.

The following budgets were reviewed:

City Clerk

Items that were reviewed include a retirement savings, contractual services, new election equipment in FY 2017, new agenda management software, records management software, and healthcare and retirement.

Finance

Items that were reviewed include the total expenditures cost of \$464,334, 3 full time staff, and consultant cost for GASB 67/68 which requires actuarial valuation in relation to OPEB.

Treasury

Items that were reviewed include the total expenditures cost of \$89,067 Total expenditures, 1 full time and 1 part time staff, and redistribution of department staff which produced a savings in the department.

Building and Planning/Community Development Block Grant (CDBG)

Items that were reviewed include the total expenditures of \$444,750 in which \$120,000 for building inspections and \$156,000 for contractual inspections. Increase in expenditures is a direct correlation with the increase in revenues. The city has experienced an increase in new builds with 26 new builds in FY 2014, 32 new builds in FY 2015, and 46 new builds in FY 2016. The city receives approximately \$30,000 from Oakland County with funds used for ADA sidewalk compliance, yard services, and large print books. The City Planner position will be replaced with a Community and Economic Development Director in

order to combine building, planning, and community development into one budget. The Code Enforcement Officers will report to the Public Safety Department. The council will consider adding more funds to the professional development account #101-801-960-000 for Planning Commission and Zoning Board of Appeals (ZBA) members.

Linda Bailey, Berkley resident at 1921 Rosemont, inquired about the funds in the Professional Development account for Planning Commission and Zoning Board of Appeals (ZBA) training.

Public Works/Major Streets/Local Streets/Solid Waste/Water and Sewer

Items that were reviewed include building improvements, equipment, vehicles, Public Works garage, and streetlighting. The building improvements account will fund the fuel management system, automated gates in FY 2018, steel flagpole replacement in FY 2018, and the salt dome replacement in FY 2019. The equipment account will fund the enclosed storage containers in FY 2018, the John Deere mower in FY 2019, the box snow plow for backhoes in FY 2019, and the office copier and scanner in FY 2019. The vehicle account will fund a ¾ Ton pick up 4 WD with plow in FY 2018, a ¾ Ton pickup in FY 2018, a dump truck with plow in FY 2018, a ¾ ton pickup in FY 2019, and a dump truck with plow spreader - \$250,000 FY 19. Public Works Garage total expenditures is \$242,985 and will back fill 1 full time mechanic. The equipment account will fund the shop wash station south door in FY 2018, the hydraulic line crimping tool and supplies in FY 2018, the tire changer in FY 2018, the portable truck hoist in FY 2019, and the tire balancer FY 2019. There are 15.63 miles of major streets with 91% of revenue is from Act 51 funds and 4% of revenue is from Metro Act (Right of Way funds). The expenditures are for Harvard reconstruction to be complete by October 2017. There are 35.95 miles of local streets with 67.2% of revenues from Act 51 funds and 30% revenues transferred from Major Street. The street tree maintenance is the only expenditure for Local Streets. The solid waste account receives 71.9% of revenues from Property taxes and 27% of revenues from charges for services Increase in residential quarterly charge from \$8.75 to \$10.75. For FY 2019, there will be a budget for the elimination of yard waste stickers. The expenditures are from a 2.7% increase from SOCRA, a 77% of total fund expenditures, and rear load garbage truck for FY 2019. The Water and Sewer fund provides 27.3% of all City revenues. The consumption charge is 52.6%, the ready to service charge is 9.4%, storm water charge is \$34.1%, non-residential user charge is 0.9%, and other (late fees, investment income, equipment rental, state grants) is 3%. The expenses for bulk water from SOCWA is 11.7%, bulk sewage from OCWRC is 13.5%, storm flow is 21.7%, salaries are 13.8%, contractual services, construction and engineering costs, building improvements, vehicle and equipment purchases, sewer lining program, and debt service. The rate study in FY 2017 recommended reworking the rate structure to best charge the users of the system for their share of the costs, factors in a capital component of \$2.2 million per year, SOCWA water costs increase, OCWRC sewer costs increase, storm sewer increases, and other expenses. An average user will see a 8.6% increase in the FY 2018 water and sewer charges. The current rate for FY 2017 is a total of \$180.74 per quarter and the proposed rate for FY 2018 is a total of \$196.26.

Parks and Recreation pg. 130, Senior Activites pg. 138, Dream Cruise pg. 144, Land Improvements pg. 146, & Arena pg. 179

Items that were reviewed include salaries, building and equipment maintenance, vehicle, and liability insurance. The revenues are from 43.8% of program charges, 37.3% of Transfers In, and 16% of state grant. The expenditures are 43% for administrative cost, 30% for miscellaneous programs, 12% for youth camp, and 9% is for Dream Cruise. Senior Activities revenues are from 56.7% of contributions/donations (SMART & Beaumont), 24.5% from grant (SMART), and 17.4% from senior charges for services. The expenditures are for administrative cost, building and equipment maintenance, supplies, utilities, and custodial services. The Ice Arena is anticipated to close at the end of August 2017. The expenditures are for administrative costs, annual costs, building maintenance, building general liability, and custodial costs.

Sue Citraro, Berkley resident at 2827 Sunnyknoll, inquired about reimbursement to the Berkley Junior Women's Club from the Berkley Parks and Recreation Department.

Finance Debt Funds pg. 168

Finance Director Sabrina Lilla reconfirmed the 11 Mile Road Debt has an outstanding balance of \$1,050,000 as of 6/30/2017 and will mature in 2021.

Mayor Pro Tem Baker thanked the City Manager, Finance Director and staff for their presentations of the 2017/2018 budget.

ADJOURN

Councilmember Steadman moved to adjourn the work session at 9:16 PM.
Seconded by Councilmember Graveline
Ayes: Blanchard, Graveline, Terbrack, and Baker
Absent: Kideckel, Steadman, and O'Dwyer
Nays: None
Motion Carried.

Phil O'Dwyer, Mayor

Attest:

Phommady A. Boucher, City Clerk