

**A BUDGET WORK SESSION OF THE THIRTY-SIXTH COUNCIL OF THE CITY OF BERKLEY, MICHIGAN
WAS CALLED TO ORDER AT 6:30 PM ON MONDAY, MAY 9, 2016 BY MAYOR PHIL O'DWYER**

PRESENT: Steve Baker
Jack Blanchard
Colleen Graveline
Alan Kideckel
Eileen Steadman
Daniel Terbrack
Phil O'Dwyer

ALSO

PRESENT: Richard Eshman, Interim City Manager
Darchelle Strickland Love, Assistant City Manager
David Sabuda, Finance Director/Treasurer
Phommady A. Boucher, City Clerk
Mike Crum, Deputy Chief
Matthew Church, Library Director
Alan Semonian, Chairman of Downtown Development Authority

APPROVAL OF AGENDA

Mayor Pro Tem Baker moved to approve the Agenda with an amendment to add Building Fund to follow the City Hall and District Court to follow the Downtown Development Authority.

Seconded by Councilmember Kideckel.

Ayes: Blanchard, Edgar, Kideckel, Steadman, Terbrack, Baker, and O'Dwyer

Nays: None

Motion Approved.

CITIZENS COMMENTS:

Regina Weiss, Program Director of Tri-Community Coalition, asked council to consider the Tri-Community Coalition group during their budget work session.

Detective Robert Cook, Oak Park Public Safety Department and representative of Tri-Community Coalition, asked council to consider the Tri-Community Coalition group during their budget work session.

Ben Vineburg, President of Tri-Community Coalition, asked council to consider the Tri-Community Coalition group during their budget work session.

Sam Pernick, Board Member of Tri-Community Coalition, asked council to consider the Tri-Community Coalition group during their budget work session.

Beverly Barra, Board Member of Tri-Community Coalition, asked council to consider the Tri-Community Coalition group during their budget work session.

Robert Williams, Berkley resident at 1920 Robina Ave, asked council to consider a sidewalk program for the city during their budget work session.

BUDGET WORK SESSION: Matter of a discussion of the proposed 2016-2017 City of Berkley Budget.

The Interim City Manager Eshman and the Finance Director Sabuda gave a presentation describing the proposed budget for 2016-2017. Highlights of the Budget include the CERP and CIP Plans, to replace outdated capital equipment, Seven Year Capital Equipment Replacement Plan, new investment in City infrastructure, and the Seven Year Capital Improvement Plan. Personnel Services in all funds is \$7,830,366. The proposed revenue budget across all operating funds for 2016/2017 is \$24,662,451. The proposed expenditure budget across all operating funds for 2016/2017 is \$25,939,425.

General Fund Operating Expenditures are recommended at \$10,306,323. Finance Director Sabuda reviewed the General Fund in a yearly comparison as it pertains to revenues, expenditures, transfers and fund balance. General Fund Property Tax Revenue is \$6,732,557. This includes General Operating Funds, Community Promotions, Public Safety Pension, and General Voted mills. State Shared Revenue is projected to be \$1,187,409 and has remained stagnant. General Fund Expenditures include operating, salaries and benefits, health/life care benefits which will approximately be \$11,105,993.

The \$3.00 mill levy distribution expense highlights include: Major Streets/Roads, Local Streets/Roads, Solid Waste Fund, and the capital improvements in the General Fund, equipment purchases, continuation of a recreation department position, healthcare/operations costs, and continued additional GASB 45 contributions. Finance Director Sabuda reviewed the Capital purchases including Public Safety vehicles, Public Safety Dispatch Equipment, Community Center Improvements, Oxford Open Space Drainage and improvements to Merchants Park for Parks and Recreation Department, Library L.E.D Light Improvements, and new Brush Chipper and 4 Ton Asphalt Recycler Hot Box Trailer with lights for Public Works.

Expenditures will be \$1,364,653 for Major Streets and \$666,078 for Local Streets in 2016/2017. The expenses include: street and catch basin maintenance, street sweeping, tree maintenance and replacement, maintenance and replacement of signs and pavement marking, winter maintenance, boulevard and facility ground maintenance, administration and major street support to local streets.

Solid Waste expenditures are projected at \$1,439,747. These expenses are the residential disposal fee that has been maintained for the 10th fiscal year at \$30.20/year per resident dwelling or \$7.55 per quarter per resident dwelling, including rubbish pick up and disposal along with leaf pickup. The proposed monthly commercial dwelling and business dumpster disposal fees are listed by type of container and monthly charge for pickup and disposable.

The Downtown Development Authority has \$81,256 in expenditures from the Ad Valorem and \$195,370 in expenditures from the TIF Capture. The Ad Valorem includes DDA events and operations. The TIF Capture includes capital improvements, Robina demonstration, street maintenance, DDA Manager, and tax tribunal costs.

He reviewed the Debt Service Fund, which is a long-term debt including principal and interest. These funds include the George Kuhn Drainage Bonds (5-12 years remaining) and 11 Mile Road Project Bonds (4 years remaining).

Public Improvement Funds include building fund for the City Hall architect design and sidewalk fund. The total cost for the City Hall architect design is budgeted to be \$103,500 and the sidewalk fund is budgeted to be \$80,000.

Total revenues for the Arena for 2016/2017 are estimated to be approximately \$333,877. The City estimates rental fees will be \$306,595. The expenditures include salary and fringe benefits, utility costs, concession operation, skating contractors, and operating costs for a total of \$433,350.

Finance Director Sabuda provided Council with the proposed water and sewer rate increases for the 2016/2017 fiscal year. Berkley will realize a 2% increase in wholesale consumption water rates from Great Lakes Water Authority/SOCWA. Berkley will realize a 5.1% increase fixed basis or 9.9% increase on a variable basis in wholesale consumption sewer rate from the Oakland County Water Resource Commissioners. Water and Sewer expenditures include bulk water and sewage charges, storm flow by-pass, the Kuhn Drain Debt payment and City operations. Expenditures also include SAW Grant, sewer relining, vehicle/equipment replacement, water meter replacements, concrete repair, lead service replacements, and hydrant replacements. Proposed increase for retail customers is 2% from \$1.93 to \$1.97 for water service and a 2.5% increase for sewer service from \$2.04 to 2.09. The total proposed water service fixed charge revenues (ready to serve) is proposed to be \$1,563,725 and the rates vary based on the size of your service line. The proposed billing revenue charge to cover the cost of reading meters, preparing water bills and maintaining water payment records is proposed to be \$85,019.

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The Internal Service Funds leave benefit accruals is recommended at \$24,953.

The following are recommendation for the Public Safety Act 345 Pension fund for revenue is \$2,004,678, for expenditures is \$1,952,703, and for net position is \$16,304,250.

The following departmental budgets were discussed:

Public Safety

Funding for wages of administration, dispatch, animal control, command, and patrol were reviewed by the City Council. As presented in the PowerPoint presentation, in the General Fund there is a budget to replace two patrol vehicles estimated at \$81,500 and dispatch equipment estimated at \$95,000.

Public Safety Pension

Items discussed included Public Safety Officers retiree benefit payments, administrative payroll, consultant fees, and expenses for actuarial services, legal services, and liability insurance.

Public Safety Retirement System

Items discussed included Public Safety Retirement System costs, post-employment health care benefits for Public Safety employees, expenditures for distributions from the pension system, legal, and actuarial services were reviewed.

Library

Salaries and fringe benefits, staffing hours, materials and supplies, contractual services, insurance, utilities, and capital outlay were reviewed. Finance Director Sabuda concluded the review confirming the Library L.E.D. light improvement budgeted in the DDA Tax Capture Fund and Library Director Church gave staff updates.

City Council

Items were reviewed for expenditures for Mayor and City Council including meetings and conferences, payroll, and memberships. Mayor Pro Tem Baker made a recommendation to review and update the meeting agenda software.

City Manager

Items were reviewed including salaries and professional development for the City Manager's Office. City Hall includes expenses that are for the building in total, including supplies, general liability insurance, tax tribunal, and utility expenses.

Communications/Information Technology

Funding for wages and supplies is provided as well as various equipment including computer software, annual maintenance, and program improvements.

Community Promotions

Items were reviewed including supplies, memberships, website, contractual services, meeting and conferences, advertising, and professional development.

City Hall

City Hall includes expenses that are for the building in total, including supplies, general liability insurance, tax tribunal, and utility expenses. Mayor Pro Tem Baker made a recommendation to review and update a record retention service.

City Attorney

The City Attorney line item was discussed including funding for liability insurance and labor attorney personnel costs.

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The DDA expenditures include their annual audit, administration, compensation for DPW employee who performs services for the DDA, special events, website maintenance, social media, advertising, trolley, summer maintenance, flowers and planters. As presented in the PowerPoint presentation, in the building improvements account is the funding for the Library L.E.D. light improvement estimated at \$45,000.

District Court

The District Court line items were discussed including traffic fines, restitution, and Library penal fines through Oakland County.

Mayor O'Dwyer thanked the City Manager, Finance Director and staff for their presentations for the 2016/2017 budget.

ADJOURN

Councilmember Kideckel moved to adjourn the work session at 8:19 PM.

Seconded by Councilmember Blanchard.

Motion Approved unanimously.

Phil O'Dwyer, Mayor

Attest:

Phommady A. Boucher, City Clerk