

MINUTES
CITY OF FARMINGTON HILLS
CITY COUNCIL SPECIAL BUDGET STUDY SESSION MEETING
MAY 3, 2021 – 6:00PM

The special budget study session meeting of the Farmington Hills City Council was held electronically and called to order by Mayor Barnett at 6:09pm.

During roll call, Council members were asked to state their location from where they are attending the meeting remotely.

Council Members Present: Vicki Barnett, Farmington Hills, Michigan
Jackie Boleware, Farmington Hills, Michigan
Michael Bridges, Farmington Hills, Michigan
Valerie Knol, Farmington Hills, Michigan
Ken Massey, Farmington Hills, Michigan
Mary Newlin, Farmington Hills, Michigan (arrived at 6:18pm)
Matthew Strickfaden, Farmington Hills, Michigan

Council Members Absent: None

Others Present: City Manager Mekjian, City Clerk Smith, Assistant City Manager Valentine, Directors Schnackel and Skrobola, Police Chief King and City Attorney Joppich

Gary Mekjian, City Manager, introduced the new Assistant City Manager, Joe Valentine. He commented that 2020 was a tough year and the full impact of the pandemic on the city's budget is still unknown. He briefly discussed the HAWK community center project and commented that staff would like to further discuss with Council options for increasing revenue at the HAWK such as public/private partnerships, and advertising.

Tom Skrobola, Finance Director, noted that last week during his overview of the budget Council members had several questions that he had answers for this evening. They were as follows:

The fluctuation of Major Street Fund operations of approximately \$1million from 19/20 to current year 20/21 and projections into 21/22. Director Skrobola explained that this budget includes operations and transfers so if the transfers are removed from those budgets the difference between this year and next year is inflationary and the reason why 19/20 was so low was due to COVID and the city shutting down any street operations for a period of 7 weeks that caused a reduction in expenses during that time.

If the Economic Development millage was capped by the city and if it could be raised. Director Skrobola stated that the Economic Development millage is capped by the city to generate no more than \$50,000 per year. This could possibly be increased but the city attorney is currently looking into this matter.

At what point does a reduction in the general fund, fund balance impact the city's AAA bond rating. If simply speaking to fund balance, it would need to go below 15% to trigger a down grade under the Standard & Poors scoring system. The city's policy is to maintain a fund balance between 15% and 25% so if the city adheres to policy there is no danger in losing that AAA bond rating. There are many

other factors that impact the rating such as a recurring deficit where revenues and expenditures are out of balance.

Discussion was held on how the budget was modified and takes into consideration the pandemic and future revenue projections and some resources such as CARES funding that has provided for some one-time needs and variable expenses where the city could adapt if the pandemic continues to have an adverse effect on revenues.

Councilmember Bridges stated he supports reviewing additional revenue for the HAWK community center. He inquired how Mr. Skrobola would classify the city's budget position and asked that Finance Director Skrobola ensure that the city is in compliance with the millage passed in 2014 as well as the resolution adopted by Council at that time and that the city is not receiving revenue for purposes no longer needed.

Director Skrobola commented that the city's financial position is strong.

Mayor Barnett commented that the resolution was predicated on the passage of the state-wide millage that failed at the ballots so the resolution is obsolete at this point.

Councilmember Bridges asked that the Finance Director still review the resolution and confirm with Council that the city is in compliance.

City Manager Mekjian stated that the public services dept budget discussion is scheduled for tomorrow and can address funding needs for infrastructure at that time.

Councilmember Knol referred to an Observer newspaper article from September 7, 2014 that spoke to the city's intent for the resolution at that time and stated that Knol questioned if the state legislature develops a funding program for roads or if the city receives more in gas tax revenues, would there be a need to levy the full 2 mills. She added that Council was referring to a specific proposal the legislature was currently discussing to significantly change road funding in Michigan that that proposal was placed on a future ballot and failed.

Mayor Barnett summarized that since that ballot proposal failed at the ballot, the resolution becomes mute. She also questioned the city's ability to invest in on-line banks that are registered with the federal government under Public Act 20.

Director Skrobola stated that he did not believe so but he would review that option and get back to council. He explained Public Act 20 that restricts local government investments of excess cash.

The City Attorney and Department Directors provided an overview of their budgets and City Council then reviewed the budget with each of the following departments:

- City Attorney
- Special Services Department
- Fire Department
- Police Department
- City Clerk's Office

City Attorney highlights and points of discussion:

- The budget is proposed to come in under budget this year and includes the typical 2% increase for the retainer and rates.
- It was noted that prosecution/court defense and MTT and special projects are handled and budgeted outside of the retainer.
- The decrease in court defense was because most cases to date have been resolved.
- The increase in labor relations was related to the reopening of union negotiations and contracts coming up for renewal.

Special Services highlights/points of discussion:

- Meals on Wheels program increased by 23% during the pandemic
- The Department received several awards, including
 - Top life-guard trainer for the 4th consecutive year
 - Innovative Programming for the city's Youth Theater Performing Arts Festival
 - Best Graphic Design for the outdoor discovery book
 - COVID-19 Leadership Award for the summer camp action plan
- Approximately 43,000 rounds of golf were played at the Farmington Hills golf Club
- Construction of the HAWK community center continued and future increases in employees and budget figures relate to the addition of the HAWK
- It was noted that the Department is supported by recreation user fees
- The budget includes a request for an additional \$10,000 for the scholarship program for Farmington/Farmington Hills youth to participate in programs and activities.
- Increase in part time rates to attract employees to those positions

Discussion was held on user fees, potential sponsorships/partnerships and making the community center affordable to all Farmington/Farmington Hills residents without competing with area fitness centers.

Council suggestions

- Further publicize scholarship opportunities
- Study session in the fall to discuss improvements needed at the Costick Center –pool upgrades including zero-entry; locker rooms, sidewalks, parking lots, bathrooms, doorways, etc.
- As improvements are explored for the Costick Center, budget figures should be gathered to be provided at the future study session. Director Skrobola stated that there may be funding from the HAWK project that could be utilized at the Costick Center. City Manager Mekjian suggested that the city needs to make a list of items that it would like for that facility and then explore funding, including potential partnerships.
- Review potential for ADA sensory park equipment to be located at the HAWK or one of the other city parks
- Review upgrading park equipment at Heritage park
- Continue funding sources for the HAWK
- Review of user fees and comparison of current versus previous fees and what some of the private sector businesses are charging

Fire Department highlights/points of discussion:

- Challenges due to COVID included 24 hour runs during the peak of the pandemic

- There were 10,484 calls for service in 2020 representing an increase of 1% from last year.
- Grant funding was utilized to cover expenditures related to the pandemic
- The Department consists of 57 full-time, career firefighters and 46 Paid-On-Call (POC) firefighters with 4 of 5 fire stations staffed 24 hours and Station #3 staffed from 7:30am until midnight.
- Grants were also received for communication equipment and for cardiac monitors and two additional grants were submitted for extrication equipment and a smoke ventilation simulator
- The budget includes a request for an increase of \$10,000 in the FY 21/22 budget for membership dues to the Western Wayne Mutual Aid Association for capital equipment projects to replace end-of-life equipment and vehicles 20+ years old.
- The Department is replacing self-contained breathing apparatus air packs that are more than 15 years old and will soon receive delivery of a new fire engine that was originally part of the 19/20 budget.
- Proposed capital projects this year include replacing Ladder #2, replacing a 15-year old utility vehicle and installing two power-load structures in vehicles used to assist with lifting patients.
- Revenues generated includes 1.9 million annually in advanced life support transport fees; with approximately an 80% collection rate.
- Donations received include: \$1,200 from Michigan School and Government Credit Union for the smoke and carbon monoxide program to install these devices in homes and a 2021 Nissan pick-up truck from Nissan North America that replaces a previously donated 2005 vehicle to serve as a support vehicle on large scale incidents for command and safety-officer personnel.
- Average length of time on an incident involving local transport is 1 hour and 15 minutes with Station #2 being the busiest station. Most are related to assisted living runs in this area and that will increase if the proposed additional assisted living facilities are constructed in this area
- Budget numbers up due to COVID but the department received grant funding through CARES for all equipment.
- POC program and recruit school was discussed. The department has a vigorous hiring program and approximately 97% of recruits pass the program.
- Public Safety Millage is due this year so a renewal of that millage will be placed on the November 2021 ballot.

Police Department highlights/points of discussion:

- Department staff consists of 162 sworn civilian and volunteer members
- Accomplishment in 20/21 include:
 - Decrease in Part A crimes reaching its lowest level in city history
 - Continually recognized as one of the safest cities in Michigan
 - Received certifications of policing from Department of Justice under Safe Policing for Safe Cities Executive Order
 - In process of re-accreditation through MECF

- The current FY budget focused on technology upgrades, some of which were paid for with grant funding
- The department is implementing a guardian tracking early warning system to track incidents in the department and a critical incident stress management team
- Programs to be added include a Citizens Police Advisory Committee, Citizens Police Academy, transparency dashboard, increased training for de-escalation, fair and impartial policing and subject control
- Future projects include a joint public safety training area at the HAWK Community Center for both Police and Fire, complete uniform replacement and Police Department building maintenance and an access control study for the back lot and live scan machines required by CLEMIS throughout the county
- Recruitment efforts including commitment to diversity and re-establishing the cadet program with an academy sponsorship to attract a broader group of candidates

Chief King discussed the public safety millage and citizens group that is initiating public education efforts.

Mayor Barnet clarified that staff will be providing information only on the millage and no tax-payer money will be utilized by the city for a say Yes or No campaign for this millage.

City Manager Mekjian commented that staff is willing to speak to homeowner's associations or other groups upon request to provide that information.

Discussion was held on forfeiture funds and impact of the legalization of marijuana; the use of illegal firearms and policies/procedures to eliminate guns in households where there is domestic violence.

City Clerk's Office highlights/points of discussion:

- The current budget was over by \$136,541 and was related to the Elections held and challenges created by the pandemic, no-reason absentee being in effect for the first time during a Presidential Year that tripled the city's permanent application list and other last-minute legislative changes including the pre-processing of absentees the day prior to the Election Day
- Grant funding was received in the amount of \$193,192 that was used towards Elections including postage, absentee envelopes and other supplies, personal protection equipment, additional staffing, some employee overtime and additional equipment needs
- Clerks are tracking current legislation including the 39-Senate Bill package related to election administration and voting
- Personnel costs have increased for the next FY budget due to a retirement in the Clerk's Office that will take place in July 2021
- A substantial increase in office equipment is related to the expiration of maintenance agreements through the State contract for election equipment that now becomes the city's responsibility.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT:

MOTION by Massey, support by Bridges, to adjourn the special budget study session meeting at 9:26pm

Roll Call Vote:

Yeas: BARNETT, BOLEWARE, BRIDGES, KNOL, MASSEY, NEWLIN AND
STRICKFADEN

Nays: NONE

Absent: NONE

Abstentions: NONE

MOTION CARRIED 7-0.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Smith', written over a horizontal line.

Pamela B. Smith, City Clerk