

MINUTES
CITY COUNCIL SPECIAL BUDGET STUDY SESSION
CITY OF FARMINGTON HILLS
MAY 6, 2015 – 6:30 PM
CITY HALL – VIEW POINT ROOM

The regular meeting of the Farmington Hills City Council was called to order by Mayor Brickner at 6:35p.m.

Council Members Present: Brickner, Bridges, Bruce, Knol, Lerner, Massey and Steckloff

Council Members Absent: None

Others Present: City Manager Brock, City Clerk Smith, Assistant City Manager Boyer, Assistant to the City Manager Geinzer, Directors Gajda and Mekjian and Attorney Joppich.

BUDGET REVIEW FOR VARIOUS CITY DEPARTMENTS:

PUBLIC SERVICES:

City Manager Brock stated that the Budget document as prepared was based on 1.62 mills for road funding based on Proposal 1 passing. Since Proposal 1 did not pass, he is suggesting that the City budget the full 2 mills as was approved by the voters.

Mayor Brickner commented that the voters approved up to 2 mills and this number can be adjusted each year up to 2 mills based on any additional state funding.

Director Mekjian stated that this is a busy time for his Department with construction contracts and preparing to assess the roads for improvements. He discussed staff activities and noted that the proposed water rates for 2015/16 are favorable and Council would be further discussing water and sewer rates at their May 11th regular meeting.

Councilmember Bruce inquired about the increased costs for the DPW Maintenance Facility. Department of Public Works Supervisor McCarthy responded that this figure includes increases with gas and oil, contract services and parts as well as the addition of a mechanic. It was mentioned that while per gallon gas prices are down, they have looked at their actual expenses from the last 3 years and have budgeted accordingly for any unexpected increases.

Discussion was held on Act 51 funding and expenditures of those funds for major and local roads.

Director Mekjian noted that the cost for consultants has increased as they budget consultants for storm water issues as needed.

DPW Supervisor McCarthy explained how they have adjusted staffing after losing staff through the Voluntary Separation Program (VSP). He noted that before the VSP, they had 20 seasonal aides and they are now operating with 10. He stated that they are asking for 8 additional seasonal aides in this budget.

Councilmember Steckloff inquired about the increase in conference and workshops. Supervisor McCarthy answered that they promoted a staff member to the sign shop who is required to go through a 3 year training process.

Councilmember Lerner asked about the GPS Vehicle Tracking System. Supervisor McCarthy responded that they have a radio system to broadcast where a truck is and the goal is to purchase the software that would allow clerical staff to visually see and record where the trucks are or have been at any given time. This is ideal for snowplowing and to let residents know where the plow trucks are currently operating.

Mayor Pro-Tem Massey inquired if pre-salting the roads with the beet juice has proved to be effective and reduce calls. Supervisor McCarthy indicated that this is difficult to document and while they still receive calls, they do feel the call volume has reduced. He confirmed that it has reduced the amount of salt used and those savings pay for the brine.

Councilmember Lerner inquired about the funding for utilities and building maintenance. Deputy DPS Director Karen Mondora stated that this figure is conservative. She added that there is a \$13,000 line item for fire alarm and suppression included with the building maintenance costs.

It was mentioned that utilities have also had established rate increases and that some of the costs are associated with maintenance contracts.

Mr. Geinzer noted that the cost for utilities per square foot for City Hall has dropped by 60% and total energy bills are down.

Discussion was held on energy savings for all city buildings.

Councilmember Lerner commented on the line item indicating that *Contracts Let* have doubled and inquired about the increase in office equipment costs.

Senior Engineering James Cubera mentioned that major projects to be completed. He noted that the increase in office equipment was for purchasing a new plotter as the one they had was very old and maintenance costs were high.

Councilmember Bruce inquired about the promotion of alternative fuels that was mentioned in the DPW Department goals. Supervisor McCarthy indicated that this was included as they were reviewing the option of converting a couple of vehicles to propane. He noted that the cost is approximately \$6,000 for propane conversion and there is a threshold of mileage that is needed to recoup the costs. The city is still reviewing the possibility of alternative fuel usage.

With regard to salaries and overtime for DPW, Supervisor McCarthy explained that they are adding a mechanic and salaries are being increased 2% across the board for employees. He added that much of the overtime is for mechanics and working on vehicles, which includes fire equipment. He stated that the overtime is only a projection as this point but commented on the two harsh winters and some older equipment attributing to those costs.

Councilmember Steckloff questioned if recycling has increased. Mr. McCarthy responded that recycling has increased and there are more cars participating in Household Hazardous Waste Days.

It was noted that Page 219 of the budget would be revised to reflect 2 mills to be budgeted for roads rather than 1.6 mills as discussed earlier.

Councilmember Lerner stated that when Council discussed the Special Assessment District policy, he had asked for several roads that had a PASER rating of 5 or 6 to be identified for seal coating in order to test that method and inquired if that was included in the budget figures.

Director Mekjian stated that they are still evaluating this option, but funding could come out of the surfacing maintenance costs.

City Manager Brock commented that they are still evaluating this as it has to be done in the right spot and can't be done on a residential street. He stated it is definitely in the budget, but it has not yet been decided whether or not this will be done.

Engineer Cubera outlined the projects to be completed with millage funding.

Councilmember Massey suggested receiving a list of projects so that residents know what projects are being done with the millage funding. It was suggested that a list is included in the FOCUS Newsletter and on the website. All of council concurred.

Discussion was held on the City's Safe-T3 Program designed for speed control within subdivisions.

Director Mekjian mentioned that as part of the CIP, funding for drainage improvements as it impacts roads has been included. He stated that staff is keeping an eye on several culverts on both major and minor roads that are aging and they would fund these on a case-by-case basis as needed. He added that none of the culverts are in jeopardy of imminent failure.

CITY ATTORNEY:

Attorney Joppich had prepared a report and submitted that to the Mayor and Council for their review. Mayor and Council had no questions.

City Council accepted City Attorney Joppich's report as submitted.

Attorney Joppich thanked the Mayor and Council and stated that it is a pleasure working with the City.

PLANNING & COMMUNITY DEVELOPMENT:

Director Ed Gardiner commented that his budget is fairly static with the exception of the rental housing program and staff is currently in the process of implementing that program. He stated that he is requesting the addition of a Housing Rehabilitation Specialist to accommodate the rental inspections for the new program and that person would also assist with the CDBG Program.

Councilmember Lerner inquired if staff has started doing inspections. Charmaine-Kettler-Schmult responded that staff began inspections in March and has completed 25 inspections to date. The Department began by sending letters out to all non-homestead properties advising them of the new program. She noted that there is also a 21-day notice requirement prior to the inspection. She added that 1500 letters were mailed and they have received applications for 110 properties.

Councilmember Bruce asked about the promotion of a building inspector. Director Gardiner explained that when Building Official Larry Andree was working part-time, a Building Inspector was promoted to Chief Inspector and once Mr. Andree retired, the Chief Inspector was promoted to Building Official.

Discussion was held on the ability to lien property for costs associated with city services provided for non-compliant properties. Councilmember Bruce suggested a policy to recoup some of the costs and stated that he feels this issue should be discussed at a future study session.

Councilmember Bridges inquired about parking lot issues and potholes. Director Gardiner stated that the City sites them for non-compliance and blight and the Department has stepped up enforcement on blight.

CITY CLERK:

City Clerk Smith indicated that her budget fluctuates year to year based on the number and size of Elections being held. The Election related budgets were up from the projected costs due to the Special State-Wide Election held May 5, 2015.

Discussion was held on posting of legal notices and agendas.

Councilmember Lerner inquired about software for tracking FOIA requests. Clerk Smith responded that she did discuss this with the other staff and the other FOIA Coordinators and they felt that their current method of tracking FOIA requests was sufficient at this time.

There were no further questions.

FINANCE:

Councilmember Bridges inquired if having the same auditor for so many years could pose a problem for the City.

Finance Director Gajda responded that he did not feel that this posed a problem. He commented that Plante & Moran are quality auditor and contracts have been reviewed; and he doesn't feel the City would get a better auditor if this were bid out again. He fully supported Plante & Moran as the City's auditors.

Mayor Brickner added that the City did conduct a review several years ago and received only 2 or 3 RFP's at that time and the fees were higher.

Councilmember Knol inquired about the increase in passports processed. Director Gajda stated that was a Detroit Office did some advertising on other area passport acceptance facilities and his office was one of those so he feels this may have been one reason for the increase.

Councilmember Lerner inquired about using a contracted appraiser on several claims. Director Gajda explained that when the City Assessor had to defend a small claim, the ruling tended to be in favor of the property owners as the Assessor is not a licensed appraiser; therefore, the City has started contracting this work..

Mayor Brickner inquired how fully funded the City is with regard to its retirement fund. Director Gajda stated that the City is currently 85-88% funded and that is projected to go up 1% each year. The goal is to be 100% funded.

Discussion was held on the funding appropriated to the retirement fund. Council consensus was to leave the funding as presented.

BOARDS AND COMMISSIONS:

Mayor Pro-Tem Massey inquired about the increase in funding for the Multicultural/Multiracial Community Council (MCMR) over the past couple of years. City Manager Brock explained that their spending fluctuates based on the programs held. He noted that expenditures are approved by his office.

Councilmember Steckloff noted that it appears all boards and commissions budgets were up the last couple of years with the exception of the Mayor's Youth Council (MYC). Mr. Brock stated that it is up to the Board/Commission to request more funding if it is needed, otherwise staff recommends maintaining the same budget from year to year.

Mayor Pro-Tem Massey suggested that there may be some value in having the Mayor's Youth Council members attend the annual National League of Cities conference and suggested including funding in the budget for that purpose.

Councilmember Lerner suggested that the City include funding to attend a local conference such as the Michigan Municipal League Conference. Council agreed.

The consensus of Council was to reduce the funding for MCMR Council by \$1,500 for 2015/16 and increase the funding for Mayor's Youth Council by \$1,500.

City Administration

Mayor Brickner asked Mr. Brock to explain the increase in expenses for City Administration. Mr. Brock explained that there was a 2% increase across the board for all personnel and the Administration Office was down one employee for the last 6 months and that position is now filled. Additional funding was also included for training opportunities for the new Economic Development Coordinator

Public Information

Discussion was held on Brighthouse and cable franchise fees.

Councilmember Bridges commented that a common complaint from residents is the lack of competition for cable services. Mr. Brock stated that they have asked other cable companies to come into the City and they welcome the competition, but no company wants to make the infrastructure investment needed.

Brownfield

Assistant City Manager Boyer noted that the building along 8 Mile Road has been taken down and they are in the process of clearing the property..

Corridor Improvement Authority

Assistant to the City Manager Nate provided a brief update on the CIA.

ADJOURNMENT

Mayor Brickner adjourned the City Council meeting at 8:45p.m.

Respectfully submitted,



Pamela B. Smith, City Clerk