

MINUTES  
CITY OF FARMINGTON HILLS  
CITY COUNCIL SPECIAL BUDGET SESSION MEETING  
CITY HALL – COMMUNITY ROOM  
MAY 7, 2019 – 6:00PM

The special budget study session meeting of the Farmington Hills City Council was called to order by Mayor Massey at 6:00pm.

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

Council Members Absent: None

Others Present: City Manager Boyer, City Clerk Smith and Director Barr

The following budgets were reviewed by City Council this evening with the following comments:

**CENTRAL SERVICES**

Director Kelly Monico stated that Central Services focus is to provide top notch support to the city departments. Highlights for 2018/19 and plans for 2019/20 include:

- Cooperative purchasing
- Vendor outreach
- Small business forum
- Purchasing and IT considerations for the new Community Center project
- Virtual desktop initiative
- Unified communications
- FH Alert system that will replace Nixle
- Network security
- Converting documents to digital format
- GIS enhancements
- Upgrading to Windows 10 and Office 365 replacing the current Groupwise email system
- IP based phone system
- New routers
- New ERP system

Director Monico mentioned that a new agreement has been signed with the City of Farmington for ongoing IT support and she believes the agreement will cover the city's costs for this service.

Discussion was held on the cost for Office 365 and savings the city will incur overall, MITN and the cooperative bidding process and the city's P-Card program

It was noted that the costs for membership/licenses was removed from the Central Services budget and moved to Support Services as that is representative of memberships/licenses for the entire city.

City Manager Boyer indicated that money has been included in the city's budget to put towards further review of municipal broadband; but does not necessarily have to be spent if the City of Farmington does not approve their share.

Director Monico explained Unified Communications and how that funding is used.

### **SPECIAL SERVICES**

Director Ellen Schnackel provided the following highlights for the department:

- Completion of the 5 Year Master Plan, which was accepted by the Department of Natural Resources making the city eligible for grants.
- Parks and Recreation Millage renewal
- Purchase of the dog park property
- Various department awards
- Purchase of the Harrison High School property/building for conversion to a new Community Center

Director Barr pointed out that the projections over the next 3 years spikes due to the Community Center project.

Director Schnackel explained the new Assistant to the Director position included in the budget that would allow for the Deputy Director to focus on programming and marketing and the Assistant to the Director to handle facility and operations that are two separate functions of the departments. She added that additional full time staffing has also been included with the addition of the Community Center.

Discussion was held on the projected programs and ensuring sufficient outreach and to make sure the programs are viable and affordable.

#### **Parks**

Discussion was held on the trailhead and how much the city is expending towards the trailhead improvements. City Manager Boyer indicated that it would depend on the amenities but it was noted that this cost was not anticipated in the 2019/20 budget.

#### **Recreation Division**

Director Schnackel explained that most of the softball programming has been turned over to the City of Novi and they are sending most of their theater programming to Farmington Hills.

#### **Ice Arena**

Discussion was held on the registration process and moving that to an on-line program. The goals it to make that system more user-friendly and possibly duplicate the process used for the pool at the Costick Center now.

Additional part-time was included in the budget as the city contracts for the rental of ice and additional staffing is needed when those groups are at the arena.

#### **Parks and Recreation Millage**

Discussion was held on the proposed playground equipment and improvements at Heritage Park.

Director Barr reported that a new temporary fund was created last year to record all expenditures for the Community Center project in one area for transparency.

#### **Golf Course Capital**

Director Barr stated that this is probably the last year for this fund as this is a general fund account needs included in the CIP.

### Capital

Items included in the capital were for the Ice Arena facility improvements.

### Public Information

The video division moved to Special Services when SWOCC dissolved and budget for contractual services is used for contracting out audio or other services as needed rather than hiring a permanent part-time staff person.

### **PUBLIC SERVICES**

Director Karen Mondora explained that the department is making a significant investment into improving the roads with the road millage funds and there has been a reduction in the use of cold patch that is expected to continue. She reviewed the upcoming road projects for this fiscal year.

Kevin McCarthy, DPW Division Director, explained how the cost of fuel affects the overall budget.

Director Mondora explained that the increase in part-time staffing was due to the upcoming road projects and need for a seasonal construction inspector.

Discussion was held on ensuring a safe work environment and tracking time off for incidents.

It was noted that there was a reduction in one mechanic but due to the shape of the equipment, it was felt that another mechanic was not needed at this time. This may be re-evaluated in the future as equipment ages. The cost for auto parks increased as the new trucks, including the new fire trucks are very expensive to maintain. The fleet has not increased but the parts are more expensive.

Director Barr commented that most vehicle costs will be moving to a different budget in the future.

### Waste Collection/Recycling

With recycling costs rising it was questioned if the city sees a time without recycling. RRRASOC, the city's recycling authority says no that items are not going to a landfill and will continue to be recycled.

Discussion was held on hazardous waste days and costs to the city. Director Mondora indicated that Farmington Hills pays for its residents only. The collection of non-refuse material is working well for those that use the service and there is no cost for that to the city.

### Municipal Street Fund

Director Barr explained that the purpose of this fund is to collect taxes to disburse to major and local road funds and to zero it out each year.

### Local Roads

It was requested that Council is kept apprised of the return on Affidavits for the Special Assessment District refunds in light of the road millage that passed. Director Barr indicated that on the first notifications they received 400 of the 500 mailed and they are tracking responses and subsequent notices will be mailed to those that have not yet responded.

The Orchard Lake Boulevard project is planned for 2020.

### Capital

Director Barr reported that the capital included DPW equipment and drains/sidewalks.

### Boards and Commissions

Mayor Massey suggested including the new Community Health Commission and providing for a similar budget as other boards/commissions

CEES should be removed as it now falls under the Parks and Recreation Commission.

### City Council

Discussion was held on the interaction with state and federal officials now that the city has opted out of the National League of Cities and the need for continued interaction or possibly revisiting the city's involvement in NLC.

Mayor Massey stated that the city has discussed hosting a meeting with the Legislators and suggested that perhaps this is done on a regional level and to move this meeting up on the city's priority list.

Additional funding was included for Conferences and Workshops in anticipation of newly elected Council Members that would need to attend Elected Officials training.

### **CITY ADMINISTRATION**

City Manager Boyer stated that Conferences and Workshops increased slightly for trainings for the new Economic Development Director. An intern was included in the budget and this position may be a shared position with Human Resources or other departments.

### Brownfield Authority

Manager Boyer explained that the city is exploring the option of using Brownfield funding for the Harrison High School property. If there are not future projects, the city may stop collections for this funding but they have earmarked funds for use at the golf course and pond dredging. Manager Boyer clarified that this funding could not be used for issues with residents' private properties with payback arrangements as per the terms of the funding they are unable to loan money to private homeowners.

### Corridor Improvement Authority (CIA)

Manager Boyer mentioned that Stepping Stone School was on the market. This fund was not yet generating TIF money.

Mayor Massey indicated that grant money is available for façade improvements and there has only been one applicant so far but he spoke to other businesses about utilizing that funding.

Manager Boyer questioned the desire for the city to stay a member of the 8 Mile Boulevard Association. Mayor Massey commented that he believed that group was dissolving so the city should not pay any further bills to stay on as a member.

### **FINANCE**

Director Steve Barr noted the following:

- He expects the city to continue to receive a AAA rating from Standard and Poor and Aa1 rating with Moody's going forward.
- Staff salaries in accounting increased due to a pending retirement and funding set aside for overlap due to required training of new staff.
- Printing costs were down due to many things being done electronically. In Treasury, he is not filling a vacancy for now but will adjust that going forward if needed.
- Banking services are down due to the new RFP that provided the city a 70% decrease in costs

- The city is saving on services for an Investment Advisor as he does not feel that is needed
- They continue to review options for paying taxes

Post-Employment Benefits

Director Barr stated that the city's pension benefits are 83% funded and healthcare benefits are over 100% funded.

The Investment Consultant discussed with the Pension Board the potential for a recession and they believe there will be no down-turn this year.

Interfund Transfers and Debt Service Fund

Director Barr discussed the interfund transfer and noted that the debt service fund includes the Community Center project. The court building debt will fall as of 2021, that is approximately \$1million but the Community Center debt will be included at approximately \$1.6 million at that time.

**WRAP UP:**

Mayor Massey commented that there were no significant changes to the proposed budget, but summarized the following discussion and minor changes suggested:

- Prioritize a meeting with state and federal legislators
- Include a budget line item for the Community Health Commission
- Remove the CEES line item from the Boards and Commissions budget

**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT:**

Mayor Massey adjourned the study session meeting at 8:46pm

Respectfully submitted,



Pamela B. Smith, City Clerk