

**BIRMINGHAM CITY COMMISSION
PUBLIC HEARING
2020-2021 RECOMMENDED BUDGET
JUNE 6, 2020
MUNICIPAL BUILDING, 151 MARTIN STREET
BIRMINGHAM, MI 48009
8:30 A.M.
VIRTUAL MEETING**

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Pierre Boutros, Mayor called the meeting to order at 8:32 a.m. with everyone participating in the Pledge of Allegiance.

II. ROLL CALL

Alexandria Bingham, City Clerk Designee, called the roll.

PRESENT: Mayor Boutros
Mayor Pro Tem Longe
Commissioner Baller
Commissioner Hoff
Commissioner Host
Commissioner Nickita
Commissioner Sherman

ABSENT: None

Administration: City Manager Valentine, Assistant City Manager Gunter, Finance Director Gerber, City Attorney Currier, Planning Director Ecker, DPS Director Wood, BSD Executive Director Tighe, City Engineer Johnson, Police Chief Clemence, Commander Grewe, HR Manager Myers, IT Manager Brunk, City Clerk Designee Bingham, Acting City Clerk Arft.

III. PUBLIC HEARING – 2020-2021 RECOMMENDED BUDGET

Mayor Boutros opened the public hearing for the recommended budget at 8:34 a.m.

CITY MANAGER’S BUDGET MESSAGE AND COVID-19 IMPACT

City Manager Valentine presented a three-year balanced budget with two significant highlights:

1. An extended format from a two-year budget to a three-year budget due to the challenges expected with an impending recession in the coming year.
2. Introduction of the COVID-19 virus and the changes required of the City to operate.
 - a. Expenditures to date are approximately \$150,000.
 - b. Taxable value, State revenue, and other contributions to the General Fund are expected to be less (ex. Revenues from building permits, court fines, and parking fines.) and will be absorbed in the existing budget without changes in the current fiscal year.

GENERAL FUND

This year’s balanced budget reflects an 11% increase from the prior year budget, due to a decrease in capital cost associated with projects that were budgeted in the current fiscal year and the addition of one full time position.

- The general fund has been and continues to be challenged with funding expenditures over revenues.
- The 2020-2021 Budget has a strong balance of 29%, meeting policy established by the Commission and maintaining an AAA bond rating and includes the following:
 - \$12.8 million in capital improvements in the coming year.
 - A planned 2% water rate increase, due to contractual services for a mandated program that the City must implement.
 - A planned 5% sewer rate increase due to higher costs levied by the Great Lakes Water Authority and Oakland County Resource Commissioner.
 - Decrease in the overall millage rate for the sixth consecutive year, due to increased taxable value and retirement of debt levy this year, thus expanding the gap under the Headley cap and strengthening the City's position for future bonding.
- There will be a recurring theme of computer equipment fund adjustments throughout various departments.

Commissioner Hoff acknowledged City Manager Valentine, Finance Director Gerber, and staff for a job well done on the 2020-2021 Budget. She expressed that she was pleased with the decrease in the property tax levy for the sixth consecutive year. Commissioner Hoff went on to ask why there is a significant increase in the 2022-2023 proposed budget.

City Manager Valentine explained that there will be an increase in projects that will be done during that time. Primarily, phase 3 of the NOW project.

COMMISSION BUDGET

The Commission budget is relatively flat with the following exceptions:

- 1% increase for computer equipment rental

CITY MANAGER'S OFFICE

The City Manager's office reflects a 7% increase in contractual services which is the contract for communications services.

CITY HALL & GROUNDS

The City Hall and grounds budget increased by approximately 3% due to planned maintenance on the windows at City Hall.

PROPERTY MAINTENANCE

The maintenance account for Baldwin Library reflects a decrease of 24% from last year due to the completion of the loading dock driveway in the prior fiscal year.

LEGAL

Reflects an 11% adjustment in retainer fees for legal services.

Commissioner Baller requested background information on performance goals, objectives, and measures that support the development of the budget.

City Manager Valentine pointed out that the goals and objectives established in the departmental budgets are driven by the City Commission's goals and objectives; then allocated into departmental tasks. The goals evolve annually and are modified, through the annual budget process, by the administration.

HUMAN RESOURCES

Ben Myers presented a proposed 7.4% decrease in the departmental budget due to the elimination of one part-time HR consultant position.

CITY CLERK

Cheryl Arft, Acting City Clerk, presented the proposed budget for 2020-2021 fiscal year as follows:

- Increase due to the current transitional operation.
- The labor burden and other contractual services are up 100% due to the addition of cemetery management services.
- Increased staff and election worker training.
- Election budget reflects an increase of 24% due to supplies and the purchase of three tabulators to be used for the upcoming election cycle.

Public Comment

David Bloom, resident, recommended extending library services to Shain Park while in the COVID-19 environment of social distancing; adding hand sanitation stations and possibly additional seating. He went on to address Mayor Boutros' proclamation of June 8, 2020 against racism by pointing out that the legal department has participated in misconduct in the past prohibiting people's right to speak; and suggested that the administration find new legal representation for the City.

Mayor Boutros iterated that he is happy to give the floor to citizens as long as the comments are limited to today's budget agenda. He further asked that anyone commenting, respect everyone's time by keeping the dialogue on today's discussion.

FINANCE DEPARTMENT

Mark Gerber, Finance Director, proposed the following:

- Increase of 3% for minor office remodeling to accommodate space for the Assistant Finance Director.
- Increase of .5% in Treasury.
- Increase of 3% in Assessing due to the assessing contract with Oakland County.
- General Administration expense increased to \$290,000 due to wage adjustment expenses for administrative staff, department heads, and union contracts.
- Transfers represent a net increase of approximately \$800,000.
 - Capital projects increased by \$1M
 - Water fund decreased by \$500,000
 - Road allocation increased by \$300,000
- Pension Administration budget was approved by the pension board and does not effect the general fund. It is paid by the pension system.

Commissioner Hoff asked for an explanation for the increase on page 216, General Administration, line item 811 in reference to the Public Arts Board expenses.

Finance Director Gerber expressed that it is the NEXT contract for senior services and money allocated to the Public Arts board to provide funding for their initiatives throughout the year, per directives from the City Commission.

Commissioner Hoff further asked where would the budget reflect adjustments for cancelled activities, due to COVID-19.

City Manager Valentine reflected back on his opening comments about revisiting the budget at the

end of the year as the administration is able to evaluate adjustments to expenditures relative to COVID-19. He also noted that there would be more items like this as the remainder of the budget is presented.

Public Comment

David Bloom asked for an update on the status of the senior center in terms of Birmingham having their own center.

City Manager Valentine expressed that there is an ad-hoc committee reviewing NEXT, the contract provider and is seeking to formalize the relationship. The committee's recommendation at the end of the study would determine the administrations next steps. My office expects a recommendation by the end of the year. He went on to note that as the implications of COVID-19 are experienced, the administration is managing projects that have community input and would prefer to host a venue that is not limited to virtual participation.

COMMUNITY DEVELOPMENT

- Planning Director Ecker presented a decrease in the departmental budget of approximately 18% due to the Master Plan project nearing completion.
- Buildings Manager Johnson presented a net decrease of 4% as follows:
 - Decrease of 31% in operating supplies due to the challenges faced during the current fiscal year of COVID-19.
 - Anticipated labor burden increase of 17% for contract inspectors for large scale commercial projects.
 - Increase of \$4,500 in equipment maintenance for new scanner and copier to accommodate plans.
 - Increase in computer rental fees.

Public Comment

David Bloom expressed that all of the redevelopments happening is reducing the number of affordable houses in the City and having a negative impact on the future of the public schools in Birmingham.

PUBLIC SAFETY

- Chief Clemence presented an increase of approximately 1.6% to the police budget.
- Dispatch is reflecting a decrease of 1.9%.
- The drug fund is flat; \$89,000 is anticipated to be used for the replacement of the City-wide camera system in the dispatch center in the 2020-2021 fiscal year.
- Fire Chief Wells presented the following
 - 42% increase due to the transitional position for the fire marshal, and additional paramedic and firefighter to the force.
 - Planned replacement of an aging generator.
 - Increase of 9% in emergency preparedness due to increased training.

Commissioner Host asked why there is an increase in ammunition. Chief Clemence explained that the funds are for the replacement of equipment (i.e. taser and rifle programs, and active shooter response vests). The vests would be a one-time expenditure and the account should return to normal levels.

Commissioner Host continued with why the equipment has to be replaced, are they obsolete. Chief Clemence explained that the equipment is no longer maintainable parts are not ready available. He went on further to say that other equipment have just reached the useful life of effectiveness.

Public Comment

David Bloom, resident, commended Chief Clemence and Mayor Boutros for not having a police presence during the recent demonstrations downtown; and congratulated them on how they have been handling this issue. He suggested clarity and transparency in the budget on how training and policies are used for the discharge of weapons so that the public knows.

Mayor Boutros called for a five-minute recess and reconvened with a quorum.

ENGINEERING

Assistant City Engineer Fletcher presented an increase of 2% in the engineering department due to outsourcing and plan evaluations that was partially offset by reduction in staffing that resulted from a retirement this year.

- The sidewalk budget is down 140% due to the Maple Grove project and reflects a return to regular sidewalk maintenance.
- The alley budget is down about 175% due to the postponement of a capital improvement project returning the alleyways to a regular maintenance budget.
- The fiber optic fund is down 185% due to the Maple Road project.

Commissioner Hoff referred to page 175, under other contractual services for site plan evaluations and asked if an outside contractor was performing those services this year. She went further to ask if the projections were high enough to cover the cost.

Assistant City Engineer Fletcher affirmed and offered that the increase is due to that service contract, however the contract would only be in force for a few months in this fiscal year. Thereafter, the budget would reflect the appropriate charges.

Commissioner Hoff questioned the increased projections for sidewalk maintenance in 2020, which is much higher than 2019.

Planning Engineer Fletcher explained that the funds are for corrections that are to be made in the ADA ramps in the City.

Commissioner Hoff added questions regarding the disproportionate change from 2020-2021 to 2021-2022 cost projections.

Assistant City Engineer Fletcher explained that the alley project between Brooklyn Pizza and the AT&T building is scheduled for 2021-2022 fiscal year.

DEPARTMENT OF PUBLIC SERVICES

DPS Director Wood proposed the following:

- General Public Services are down 9% due to computer equipment rentals, building maintenance line item, and a new account for equipment that is under supplies.
- Property Maintenance is also down 9% due to the painting of CN bridge and other contractual service line item.
- Weed/Snow enforcement is up approximately 9% or under \$4,000 and based on estimates of the amount of snow clearing or grass cutting performed by DPS.

- The ice arena will remain flat or down by .5%.
- Community activities is up 1% due to increased holiday lights.
- Parks and Recreation increased 11% due to reallocation of some accounts that will go towards other contractual services and operating supplies (i.e. benches and trashcans).

Commissioner Host asked what the revenues were on the Ice Arena annually, DPS Director Wood replied approximately \$630,000.

Commissioner Baller noted that there are annual increases of 7% for computer equipment rentals and asked for a brief explanation.

City Manager Valentine explained how the fees are allocated to the different departments based on usage to cover cost and noted that the IT fund would be presented later in the budget.

Commissioner Nickita asked about the status of the Zamboni. He recalled that it was a large purchase and wanted to be sure that the cost of maintenance and replacement, at the appropriate time, is being considered in the extended budget.

DPS Director Wood affirmed that it is reaching about half of its life expectancy and the maintenance cost are considered in the budget.

Commissioner Nickita also asked what the increase in Christmas Lights are attributed to.

DPS Director Wood noted that the department is anticipating a slight increase due to inflation and the labor burden associated with the display.

Mayor Boutros expressed that the 1% increase gives the City 100% return on the investment; the City receives many compliments on the display and he agreed that it is well done.

Public Comment

David Bloom, resident, asked:

- How the Ice Arena projected revenues are effected by COVID-19 and how much is at risk.
- Could the budget be reconfigured to include more tables and chairs for Shain and Barnum parks for the residents to enjoy during this pandemic?

DPS Director Wood noted that the Ice Arena did experience a loss in revenue this year due to the shutdown; however, there was a reduction in expenses as well. While there is a plan in place for reopening safely and following the proper guidelines, the impact is yet to be determined. She went on to address the additional table and chairs at the park noting that Shain Park and other downtown locations will have it with sanitizer stations as early as next week. Sanitizing stations are currently at all of the parks and playgrounds.

Commissioner Hoff asked why cemetery services, grave openings and closings, were included in the DPS budget when an outside contractor provides those services.

Finance Director Gerber explained that it is reflected in the DPS budget for accounting purposes. The City is receiving payments for cemetery services from the bereaved and paying the contractor for services provided from those payments. While it is not a City provided service, the fees and expenditures must be properly booked and accounted for.

Commissioner Host asked how many hand-sanitizing stations are in Shain Park.

DPS Director responded that currently there have not been any installed in Shain Park, but there is a plan in place to install them on Monday as well as 40 to be installed at various intersections downtown.

Commissioner Baller asked for more detail on the park furnishings order.

DPS Director Wood expressed that initially there were 52 tables and 119 chairs; a few weeks ago there were an additional 18 tables with complementary chairs to be distributed in the parks. She is anticipating delivery in a few weeks.

SPECIAL REVENUE FUNDS

Finance Director Gerber presented the following:

- Major street fund is down due to the Maple Road construction project.
- Local street fund is relatively flat.
- Community Development Block Grant reflected no change.
- Solid Waste Fund has an increase for refuse collection due to inflation.

Commissioner Host complemented staff on the proposed budget that includes funding for road improvements and asked what would be done specifically.

Assistant City Engineer Fletcher responded that there would be resurfacing of some roads, and a complete reconstruction of Cranbrook Road this year in conjunction with the Multi-Modal efforts to provide a walkable sidewalk and bike path.

Commissioner Baller asked if the impending recommendation from the unimproved streets committee was considered in the budget.

City Manager Valentine expressed that the approach taken was to budget for maintenance programs for unimproved streets, while the committee evaluates long-term implications for the roads. The resurfacing of Laveview, per the petition process, is included in this budget and is out for bid. As the recommendations come in from the committee, the long-term plan would be reflected in future budgets.

Public Comment

David Bloom, resident, asked if there is an opportunity to work with neighboring communities in the Cranbrook Road project to provide a clear bike/walk path without respect to City boundaries.

Planning Director Ecker expressed that the project is a collaboration of all of the affected communities as well as Oakland County.

Commissioner Baller noted that he did not see anything in the budget for road/street design and expressed that he would like to see money budgeted for consultants to insure that Birmingham streets are well designed.

City Manager Valentine clarified that the professional design component is included in the Multi-Modal board review process for planned street reconstruction.

ENTERPRISE FUND

- Automobile Parking System – Assistant City Manager Gunter presented the following:
 - Revenue was down 28% from amended budget and down 16% from original budget due to no revenue caused by the COVID-19 pandemic.
 - 54% of expenditure account not used due to cancellation/postponement of major infrastructure projects that were anticipated in the beginning of the year.
 - Loss of revenue plus little to no expenditures in major infrastructure left the fund with 72% more than anticipated at the end of the fiscal year.
 - The fund balance remains healthy at approximately \$20M.
 - For the 2020-2021 budget year, the following improvements are planned:
 - Overhauling technology
 - Repair and rehabilitation projects
 - Promoting the parking app
 - Evaluating on-street valet programs
 - Customer experience in the garages with new signage and the introduction of amenity bays.
- Water Supply Systems – Finance Director Gerber presented the following:
 - Planned rate increase of 1.6% based on five-year average of water consumption in the City, which fluctuates depending on the weather (wet or dry season).
 - Rates are calculated by spreading the cost of maintaining the system over the number of units used. In this case, decreased water usage results in increased rates.
 - The fund balance reflects a decrease of approximately \$1.2M due to public improvements and additional costs to the system is anticipated from a mandated new program requiring cross connections.
- Sewage Disposal – Finance Director Gerber continued with the following:
 - Planned 5% increase in sewage rates due to an increased cost of 6% in the area for sanitary sewage, and an increase in cost of storm water disposal due to significant rain events over the last few years.
- Municipal Golf Courses – DPS Director Wood presented the following:
 - Lincoln Hills has grown 16% primarily due to the change in the general fund transfer.
 - Springdale increased 3% due to capital/public improvements (i.e. additional bathroom, new car paths, and new tee and entrance signs.
 - Both courses opened in April and May and rounds are higher than the past two seasons.

Commissioner Baller asked, relative to the parking system, if there was a reduction in expenses commensurate with loss of revenue.

Assistant City Manager Gunter affirmed that there is a commensurate reduction in expenses. There is a significant reduction in staff and rooftop valet operations or general operations have halted. From a capital perspective, there is still spending on rehabilitation projects to repair garages.

Commissioner Hoff asked the following, relative to automobile parking systems:

- Clarification on where the repeated reference of \$8.6M is reflected in the budget.
- How would the \$2.8M allocated for the Pierce Street garage be used.
- How would the additional \$1.4M in the current budget for the North Old Woodward structure be used.

Assistant City Manager Gunter in response to Commissioner Hoff:

- Clarified that \$8.6M was the amended budget for 2019-2020 fiscal year; which was done in

January, before revenue operations were stopped by the pandemic.

- The proposed spending on the Pierce Street garage is a preliminary estimate to perform concrete repairs and to correct a slab deflection. Additional information will become available when the structural assessment is complete.
- Again, the budget was prepared in January and the \$1.4M was based on preliminary visual observations of the immediate problems in the N. Old Woodward structure. Based on completion of the structural assessment, anticipated adjustments would be made near the end of the year.

Commissioner Host asked, in respect to automobile parking systems, the following:

- When would occupancy scenarios for the garages be available?
- If the expenses for North Old Woodward budgeted for 2019-2020 fiscal year include the funds allocated for the election of 2019, if so, how much.

Assistant City Manager Gunter responded:

- Occupancy scenarios for the garages would be available at the end of the month.
- In terms of election allocations, it is reflected in the public education line item and general line item for consultant fees. She would get back to the Commission with a breakdown of the specific amounts.

Public Comment

David Bloom, resident, asked Assistant City Manager Gunter for background information on the general line item, including a breakdown of educational expenses for election materials that came out of the parking fund.

Assistant City Manager Gunter offered the following:

- In the 2019-2020 budget, several services were included in the general line item. Primarily, the valet program. It also included engineering consultant fees and the materials developed for the parking garage proposal on the education side of the program.
- Based on previous conversations and emails that went back and forth, that information was provided. She agreed to go back and look at the information to provide the exact breakdown, noting that the consultant fees were only a portion of the \$1M in question and further agreeing to provide a breakdown of the educational expenses for election materials that came from the parking fund.

INFORMATION TECHNOLOGY

IT Manager Brunk presented the following:

- Fluctuations in the IT fund from year to year are based on the needs of various departments.
- Current budget reflects an increase of 18% due to the addition of security systems, replacement of copy machines, and changes to the website provider.
- Supplies increased by 125% due to transitioning smaller funds into a general supply fund.

Commissioner Baller asked would the new website be more user friendly and easier for the public to provide input.

IT Manager Brunk affirmed that it is the plan to become more user friendly, specifically for the public.

Public Comment

David Bloom, resident, pointed out that online hacking is becoming more prevalent by foreign governments and other bad actors and asked if the administration was comfortable, knowing that

the systems proposed can withstand attempted hacks.

IT Manager Brunk iterated that a number of initiatives have been taken to secure the City's systems:

- The current firewall is of the next generation and would handle any data attacks.
- A security system was added that tracks changes made to the network and shuts it down immediately in the event that an attack happens.
- Increased end point protection to handle and track attacks on desktops.
- Planned increase in training to prevent attacks entering from the end user.

Mayor Boutros asked if the changes made to allow residents and businesses to conduct transactions on-line are reflected in this budget.

IT Manager Brunk expressed that it is in other essential services in this budget. In addition, staff is working on a project to digitize and link all City forms and make them accessible and fillable.

City Manager Valentine added from a budget standpoint, those funds would be reviewed in the current year budget, part of the fourth amendment to address COVID-19 initiatives.

BIRMINGHAM HISTORICAL MUSEUM

Museum Director Pielack reported the following:

- Allen House
 - An increase of 31% attributed to the window restoration project and contractual work for construction and landscape restoration of the heritage zone.
 - Computer Services increase of 7%.
 - Labor burden is expected to increase by 38% for increased part time staffing.
- Hunter House
 - Decrease of 86% due to reduced project cost associated with the completion of restoration projects.
 - \$3,000 increase in building maintenance for ongoing maintenance.

Commissioner Hoff expressed concern about the additional staffing planned for the Museum to support the many initiatives to get the word out about the museum and programs with the library. She further expressed that it is important to increase attendance and participation to support the amount of continued funding required for the museum.

Director Pielack agreed and reported that physical attendance as well as online audiences are growing with consistent improvement over prior years, due to outreach efforts and virtual content.

Mayor Boutros recessed for 15 minutes at 10:47 a.m.

Mayor Boutros reconvened the meeting at 11:03 a.m.

BIRMINGHAM SHOPPING DISTRICT

BSD Executive Director Tighe gave a brief overview of the department and highlighted efforts to support the downtown businesses. She went on to present the following budget highlights:

- Valet Parking fluctuates from year-to-year due to planned construction and BSD's effort to support those efforts.
- Marketing and Advertising fluctuates to, again, support construction programming and promote that downtown is still open for business.

- Maintenance increased due to the addition of signage and lighting due to construction in downtown.
- Overall, the BSD is proposing a 7.5% decrease in the budget for the 2020-2021 fiscal year.

Commissioner Hoff noted a discrepancy in personal services on pages 356 and 357, line item #702.

Executive Director Tighe explained that page 356 represents a comprehensive total of salaries and wages; and page 357 is a breakdown of the same.

BALDWIN PUBLIC LIBRARY

Library Director Koschik reported that the Youth Room will be open to the public in July. He also noted that due to COVID-19 there will be a soft opening rather than an official ribbon cutting ceremony. With respect to the budget, he offered the following:

- The 2020-2021 budget is requesting 1.1 mills to be used for operating expenses and phase construction projects.
- Additional millage for 2021-2022 budget would replenish funds used for the youth room project.
- Millage request for 2022-2023 fiscal year is planned for phase 3 of construction.
- Overall expenses are down in 2021 by 37% due to the youth room project.
- More spending will be reflected in electronic resources as opposed to print.

Public Comment

David Bloom, resident, expressed his excitement for the progress of the library project and believed that more can be done for the public to access to the library. He suggested putting up shields in the circulation area and front desk to allow for proper social distancing. Further he commented that staff are receiving full salaries and the public should be able to access the services while being protected from the risk of COVID19.

Director Koschik presented the reopening plan for the library in conjunction with the Governor's orders.

Commissioner Nickita expressed his pleasure in seeing the library moving along with the planned construction and commended the board and staff for their diligence and addressing the concerns of the Commission. He went on to say that as a member of the American Institution of Architects Michigan chapter, congratulations to Director Doug Koschik for winning the AIA Affiliate Award which is awarded to anyone who advocates for architects and the building arts; and promoting architecture and the City of Birmingham.

Mayor Boutros reiterated the sentiment and extended it to City Manager Valentine.

BROWNFIELD REDEVELOPMENT AUTHORITY

Finance Director Gerber presented the following:

- Tax incremental financing (TIF) to provide relief to developers for properties that had environmental issues.
- Reimbursements are based on actual cost supported by receipts for work done to the effected properties.

Commissioner Host referred to page 363 and asked what "other legal" represents.

Director Gerber explained that it is legal costs associated with the Brownfield Redevelopment

Authority, budgeted by the City and billed to the developer if cost are incurred.

TRIANGLE DISTRICT CORRIDOR IMPROVEMENT AUTHORITY

Finance Director Gerber explained that the authority is established but inactive. Initially money was budgeted for administrative activity to establish it. Interest was generated and transferred to the fund and no expenditures are anticipated.

City Manager Valentine presented background information on this program and the strategy to realize growth on the fund.

Commissioner Hoff asked if the fund could be eliminated.

City Manager Valentine expressed that it has limited value, but as a tool, it makes sense to keep the fund available to the City now, but should revisit it in the future.

Commissioner Host remembered that years ago an advisory committee existed for the authority and asked if there had been any reports lately from the committee.

City Manager Valentine expressed that any committee established has expired and is no longer in existence.

Commissioner Baller pointed out that keeping the improvement authority is the right way to go moving forward and considering the City's goals to improve the district. The board, acting under the City Manager and City Commission, would be useful in helping to improve the district.

GREENWOOD CEMETERY PERPETUAL CARE FUND

Finance Director Gerber presented the following:

- The fund was established for maintenance at the cemetery.
- Funded by individuals who purchase plots.
- Funds are invested and interest and dividends are deposited in the account.
- \$20,000 for ground penetrating radar is transferred into 2020-2021 budget for maintenance of the cemetery.

Commissioner Hoff asked if contractor services could be paid from this fund.

City Manager Valentine expanded on the topic to clarify that the intent of the fund was for the care and maintenance of the cemetery in perpetuity. The goal is to build this fund as quickly as possible so that the fund could represent a true perpetual care fund and the contractor services would continue to charge against the general fund and be absorbed by interments.

Commissioner Baller asked if it would make sense to perform a long-term projection to have an insight as to when the fund would be able to pay for contractor services, and at what point the inventory would likely diminish.

Finance Director Gerber affirmed that an analysis could be done but it would be hard to determine, with certainty, projected sales at any given time. Too many assumptions to consider.

Commissioner Hoff asked for a definition of perpetual care. She felt that landscaping is already covered in other areas of the budget.

City Manager Valentine explained that perpetual care, consistent with the industry, is revenue generated and offset by contributions annually for the purpose of covering operating cost. Costs have been distributed to the general fund for cemetery operations. The strategy is to generate enough revenues to cover the operation cost for the long term to relieve the taxpayers of the burden. Ideally, perpetual care funds are for anything that is affiliated with the cemetery including but not limited to projects, contracting services, and general maintenance. The goal is to not use the general fund for cemetery operations.

Mayor Pro-Tem Longe added that the fund appears to be functioning as an endowment of a fund balance, using a percent annually to allow for perpetuity. She further asked if the funds are being invested and managed for the investment earnings; which would be the best indicator as to whether this fund is going to generate the amount needed for perpetuity.

City Manager Valentine affirmed Mayor Pro-Tem's analogy that the investment returns are going to be the determinant. He added that municipal cemeteries are restricted to funding and investment options, so the idea is to make sure returns on the investment are at the maximum levels to ensure funding to maintain operations indefinitely.

DEBT SERVICE FUND

Finance Director Gerber presented the following debt levies not funded by an enterprise fund:

- Two park and recreation bonds.
- Sewer improvement bond (included in the sewer fund).

CAPITAL PROJECTS FUND

Finance Director Gerber presented anticipated capital fund expenditures for 2020-2021:

- \$300,000 for HVAC at the fire station.
- \$2M for work at the ice arena.
- Replacement of streetlights on Maple Road after project completion.
- Parks and Recreation projects budgeted last year and rolled over because they will not be complete by end of this fiscal year.

Commissioner Sherman pointed out that he prefers the old format of capital projects which listed them for five years with charts that gave the Commissioners an "at a glance" view of all the projects planned.

Finance Director Gerber explained that the new format was an effort to accommodate the GFOA, the agency who grades the budget book. If the old format is preferred, it can be used as the final document.

Commissioner Hoff pointed out the discrepancy in the amount budgeted for ice arena improvements and requested clarification. She also asked how the issuance of a Parks and Recreation bond is considered in the budget.

City Manager Valentine clarified that the discrepancy is the difference between the mechanical system improvements planned for the ice arena and the other renovations which will be addressed in a different phase included in the Parks and Recreation master plan. He further explained that the critical pieces are being proposed to get done right away and those less critical would be decided on later. With respect to a bond issue, it will not be included in this budget. It would be a separate initiative in a bonding conversation that is forthcoming. The COVID-19 situation slowed down

planned activities. Once a plan for unimproved streets is solid, we would want to have a conversation on bonding initiatives.

Commissioner Baller asked if the Parks and Recreation bond could reimburse the general fund and if so, what would be the period of time that expenditures could be captured retroactive.

City Manager Valentine affirmed that some expenses could be covered under the bond, but he would have to consult with the bond council to determine how far back cost could be captured.

Mayor Pro-Tem Longe commented that the idea of Commissioner Baller would require more discussion to determine the appropriate costs for the community to bear through a special bond. She expressed that a Park and Recreation bond should be designated for improvements.

Commissioner Host commented that he would like to see more discussion on this topic.

Commissioner Baller expressed that he shares Commissioner Host's frustration with the process and hopes that moving forward there would be more discussion about the budget process. He would like to see the Commissioners workshops, that were agreed to in the long-range planning meeting, implemented prior to revisiting the budget later in the year.

Public Comment

- Frank Pisano, resident, expressed that he would like to see more detail in the minutes of City meetings in the spirit of transparency so that anyone could go back and see the actions taken.
- Christopher McCarthy, 335 E. Frank St., commented that this was his first time attending a City meeting and found it fascinating. He invited the Commissioners to visit the corner Purdy and E. Frank St. to visualize the effects of large footprints on a small lot that has created an unsafe condition for his family home. He asked why he had to hire surveyors and attorneys to fight variances for larger structures. Mr. McCarthy further thanked the administration and interested citizens who were helpful in his family's quandary.
- David Bloom, resident, commended Mayor Boutros on a job well done in presiding over the meeting. He expressed his appreciation for the comments made by commissioners Baller, Hoff, and Host. He went on to note that Downtown Birmingham is thriving due to the investment by the City; it is important to the residents to have an idea of the percentage of tax dollars that is used for downtown and the percentage used for the benefit of residents and neighborhoods, specifically street improvements. He further expressed that this meeting exemplifies the unprecedented COVID-19 environment. Typically, the budget hearings are held in March and the suggested resolution for approval is held in May; this year there is a two-day turn-around. While he appreciates another view of the budget in November, he feels that the budget is being rushed and is concerned.

IV, ADJOURN

Mayor Boutros closed the public hearing and adjourned the meeting at 12:04 p.m.

Alexandria D. Bingham

Alexandria Bingham, City Clerk Designee
/le