

Birmingham City Commission Minutes

Public Hearing on

2021-2022 Recommended Budget

May 1, 2021

8:30 A.M.

Virtual Meeting ID: 655 079 760

Video Link: <https://vimeo.com/event/3470/videos/544030266/>

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Pierre Boutros, Mayor, opened the meeting with the Pledge of Allegiance.

II. ROLL CALL

Alexandra Bingham, City Clerk, called the roll.

Present: Mayor Boutros (location: Birmingham, MI)
Mayor Pro Tem Longe (location: Birmingham, MI)
Commissioner Hoff (location: Birmingham, MI)
Commissioner Host (location: Birmingham, MI)
Commissioner Nickita (location: Birmingham, MI)
Commissioner Sherman (location: Birmingham, MI)

Absent: Commissioner Baller

Administration: City Manager Markus, City Clerk Bingham, IT Manager Brunk, Police Chief Clemence, Library Director Craft, Planning Director Ecker, Assistant to the City Manager Fairbairn, Finance Director/Treasurer Gerber, Operations Commander Grewe, Building Official Johnson, City Attorney Kucharek, Human Resources Manager Lambert, Museum Director Pielack, Consulting City Engineer Surhigh, Fire Chief/Emergency Manager Wells, DPS Director Wood

III. PUBLIC HEARING – 2021-2022 RECOMMENDED BUDGET

The Mayor opened the public hearing at 8:33 a.m.

CM Markus gave the introductory comments for the budget hearing.

Assistant to the City Manager Fairbairn presented the General Fund, covering the budgets for the Commission and the Manager's Office which includes City Hall & Grounds, Property Maintenance-Library, and Legal. She noted that Bang the Table was allocated to the Commission's budget and the new Media Specialist position was allocated half to the Manager's Office and half to the IT Department. The current Communications Director position was allocated to the Manager's Office under salaries.

CM Markus told Commissioner Hoff that many of the figures were projected as being entirely spent because the State was in the process of opening back up from the Covid-19 health restrictions when the budget

document was written. He agreed with Commissioner Hoff that expenditures like conferences for Commissioners might not actually be spent in full now as a result of the evolving public health circumstances, and said Staff would look at revising those numbers.

In reply to Commissioner Hoff, Finance Director Gerber explained that some of the expenses from the Maple Road Project budget were deducted from the General Fund in 2021-2022 because the project was not completed in the previous fiscal year.

Human Resources Manager Lambert reviewed the Human Resources budget.

Commissioners Hoff and Sherman asked that Commissioners be permitted to ask questions line by line, saying that was how these hearings have been conducted previously.

The Mayor said he would ask the Commissioners to hold their questions or comments until the end of each section's presentation by Staff.

Commissioner Hoff commended Staff for skillful maintenance of the General Fund balance and also for allowing the City to decrease its millage rate several fiscal years in a row without cuts to City services.

In reply to Commissioner Host, Human Resources Manager Lambert explained the recommended budget for Printing and Publishing doubled as a result of the purchase of a printer with scanning capabilities and on a recommendation from the IT Department.

City Clerk Bingham reviewed the Clerk's Office budget which includes Elections. She stated she budgeted for a full year of live captioning for the larger board meetings that have remained virtual thus far this year. She said some of the costs for the live captioning have decreased slightly because the smaller boards have started using Zoom's auto-captioning capabilities rather than live captioners.

Finance Director/Treasurer Gerber reviewed the Finance Department's budget, which includes Transfers Out, Pension Administration, and Treasury which includes subsets Assessing and General Administration. He stated that the software he was recommending for creation of the budget would require an annual maintenance fee.

In reply to Commissioner Sherman, FD Gerber agreed the purchase and maintenance fee costs for the software should be moved from Printing and Publishing to Computer Equipment Rental since that is how other departments would allocate a similar purchase.

FD Gerber confirmed for Commissioner Nickita that the Audit charge on page 218 of the budget for the 2020-2021 fiscal year should read 31,070 and not 61,070. FD Gerber said that typographical error would be corrected for the final budget document.

In reply to Commissioner Sherman, FD Gerber estimated the City's pension and retiree health care liabilities are currently both funded percentage-wise in the mid-to-upper 80s.

PD Ecker and Building Official Johnson reviewed the Community Development (CD) Budget which includes Planning and Building. PD Ecker provided the overview of the Planning budget, while Building Official Johnson provided the overview of the Building budget.

In reply to Commissioner Nickita, PD Ecker stated that the City's wayfinding plan remains up-to-date. She said there was \$20,000 included in the Planning budget to help the City pick a logo and to include the logo update in all wayfinding plans.

In reply to Commissioner Hoff, Building Official Johnson explained that prior to March 2020 there were a number of additional staff from McKenna working in the Building Department. Since Covid-19 began, those additional staff were less utilized, leading to a decrease in costs under Other Contractual Service. Building Official Johnson said he was waiting to see if/when those additional staff would need to be brought back into the Building Department, saying it had not yet been necessary.

Police Chief Clemence reviewed the Public Safety Budget, which includes Police, Dispatch and Law & Drug Enforcement Fund. He stated the increases in the LEIN/CLEMIS expenses were the result of the need to purchase updated technology. He stated the \$116,750 for FY 2021-2022, under 971.01 Machinery & Equipment on page 271, represents the cost of updating the 26 cameras throughout Birmingham with the Panasonic Video Insight System (\$57,720) and the purchase of Panasonic 40x Zoom Cameras (\$59,030).

Fire Chief and Emergency Manager Wells reviewed the Fire Department's budget.

In response to Commissioner Hoff, Fire Chief/Emergency Manager Wells said the City could not likely charge more of the City's retirement communities, who are the most frequent institutional users of the City's emergency services. He stated that the Fire Department has requested that the retirement communities have staff on-hand to assist with helping residents up after minor falls, since those are many of the calls to the Department.

Commissioner Host thanked Police Chief Clemence and Fire Chief Wells for their efforts to support Birmingham's senior population.

CM Markus recommended the City look into requiring that retirement communities have lift equipment and stair chairs for their residents' use. He said those requirements could be considered as part of reviews of retirement communities' proposed expansions or new facilities.

The meeting took a five minute break, from 10:00 a.m. to 10:05 a.m.

Consulting City Engineer Surhigh reviewed the Engineering Department's budget which includes Sidewalks, Alleys, and the Fiber Optic System.

CM Markus noted that the City has attempted to fill the City Engineer position twice so far since the vacancy occurred and that the City has not yet found a suitable candidate. In reply to Commissioner Sherman, CM Markus stated that as a result of the lengthy vacancy in the City Engineer position he recommended that the budget include enough funding to cover up to a possible year's overlap between CCE Surhigh and the new City Engineer. He noted that a number of significant Engineering projects would be occurring during that time and having the flexibility to rely on CCE Surhigh's knowledge could be integral to the success of those projects. CM Markus said he would keep the overlap period to the minimum necessary.

In reply to Commissioner Hoff, CM Markus confirmed that the vacancy in the City Engineer position continues then the Salaries and Wages line item would be reduced accordingly.

CCE Surhigh and CM Markus explained that the \$810,000 recommended on page 178 for Public Improvements is more than what was expended in FY 2019-2020 in part due to the City's upgrades to ADA

ramps. CM Markus noted that those upgrades often require changing the grade of the sidewalk in either direction, which can add a significant amount to the cost.

FD Gerber noted that the planned sidewalk improvements on Cranbrook also are budgeted as part of the aforementioned \$810,000.

The Mayor also noted that construction costs continue to increase.

Commissioner Nickita recommended that in the future sufficient funds be allocated to add sidewalks where they do not already exist as part of planned road updates.

In reply to Commissioner Hoff, CCE Surhigh stated that the fiber optic system will cost more for S. Old Woodward than it did for Maple for two main reasons: 1. almost double the material will be required for S. Old Woodward relative to Maple and 2. the source locations of the materials, Texas and Louisiana, recently experienced natural disasters which are driving up the material costs.

DPS Director Wood reviewed the Public Services budget which includes General Public Services, Property Maintenance, Weed/Snow Enforcement, the Ice Sports Arena, Community Activities, and Parks & Recreation. She stated that while the Ice Arena would have some reduced costs from improvements, increased efficiency, and year-round use, there would also be some smaller increased costs likely from increased staffing and routine maintenance. She said the first year of operation after the improvements would provide the benchmark off which future budgets would be based.

In reply to Commissioner Hoff, DPS Director Wood confirmed that Mike Gerrick, current Assistant Foreman in Parks & Forestry, would be retiring in June 2021, and that a current Staff member would be promoted to that position.

CM Markus commended Assistant Foreman in Parks & Forestry Gerrick on his work for the City throughout the years, stating that Assistant Foreman in Parks & Forestry Gerrick's degree in landscape architecture was a boon to the City and that his handiwork can be found in many of the City's flowerbeds. CM Markus continued that the City's regular pruning and maintenance of its urban forest allows City trees to better withstand inclement weather, which saves the City in terms of post-storm cleanup. He said this is a testament to the high quality management of the City's Public Services Department, and that it is a significant advantage the City has relative to many other municipalities.

FD Gerber reviewed the budget for Special Revenue Funds, which includes Major Streets, Local Streets, the Community Development Block Grant and Solid-Waste Disposal.

Commissioner Sherman noted that some of the local streets had been due to be resurfaced as part of the FY 2019-2020 budget, and that those resurfacings had been delayed. He said those streets likely still needed to be resurfaced and that he did not see them in the FY 2020-2021 budget or in the FY 2021-2022 budget.

CCE Surhigh stated that not every street that will be resurfaced as part of the upcoming budget was listed. He explained that the Engineering Department was in the process of ranking streets in terms of maintenance needs and putting together an asphalt maintenance project together which will be used to resurface local streets.

In reply to Commissioner Nickita, FD Gerber stated that for Residential Refuse Pickup on page 267 the amount allocated for the FY 2020-2021 budget was higher than the others because a purchase order that

was not going to be used from FY 2019-2020 was inadvertently rolled over into the new fiscal year. He explained that the discrepancy was an accounting issue in terms of whether to liquidate the purchase order, and did not represent an actual increase in the FY 2020-2021 budget.

In reply to Commissioner Nickita, CCE Surhigh stated that approximately \$1 million of the S. Old Woodward budget was included in FY 2021-2022 with the hopes that some of the budgeted work could start early. He said the rest of the funds for the project were budgeted as part of FY 2022-2023.

Commissioner Nickita said the City had begun similar road projects as soon as Spring arrived in order to cause less of an imposition to City businesses during their busier summer season. He said that the earlier the City could begin the S. Old Woodward project the better, and asked the City to try and have the budget accommodate that as possible.

CM Markus said starting the project early has been discussed and is the aim if possible. He observed that the concentration of businesses along S. Old Woodward is less than the concentration of businesses along Maple or N. Old Woodward, and so consequently fewer businesses would be impacted by a later start date. He noted that S. Old Woodward also has a stretch where businesses are on only one side of the street, which will also lessen the impact of the construction.

Operations Cmdr. Grewe presented the budget for the Automobile Parking System Enterprise Fund. He stated that the anticipated revenues for FY 2021-2022 result from the decreased use of the parking structures in light of Covid-19 and anticipation that many of the previous users of the parking structures will continue working from home.

FD Gerber presented the budget for the Water Supply System Enterprise Fund.

CM Markus stated that the City will be receiving approximately \$2 million in federal funding, and the funding's terms would allow it to be spent on the City's lead service line replacements. CM Markus said using those funds on that project should be discussed in order to maintain a gap between the Headlee and the City's levy, and also avoid pushing excessive amounts of property taxes into the Water Supply System Enterprise Fund.

CM Markus clarified for Mayor Pro Tem Longe that while the aforementioned \$2 million would offset the costs of the lead service line replacements, it would not cover the project's costs which are estimated to be in the \$3 to \$5 million range. For that reason he said that increases in the water rates are still being recommended in order to ensure that sufficient funds are available for the project.

In reply to Commissioner Host, CM Markus stated that the goal is to replace 90-100 lead water lines per year and that he hopes to exceed that goal rate if possible.

FD Gerber and CCE Surhigh presented the budget for the Sewage Disposal Enterprise Fund.

CM Markus explained that efforts to decrease sewer and water rates and efforts to conserve water often run counter to each other, which he said was a matter worth noting.

DPS Director Wood presented the budget for the Municipal Golf Courses Enterprise Fund.

Mayor Pro Tem Longe noted that the Lincoln Hills Golf Course would be even more profitable if it were not still paying back the General Fund for improvements made to the clubhouse.

In reply to Mayor Pro Tem Longe, DPS Director Wood stated the funding method for improving the irrigation system at the Springdale Golf Course in FY 2022-2023 had yet to be determined.

IT Manager Eric Brunk presented the budget for Information Technology.

FD Gerber and CM Markus explained that different departments are charged by IT when IT provides either services exclusive to that department or equipment exclusive to that department. FD Gerber stated his Staff went through to make sure those costs were allocated appropriately to the different departments and that those costs show up as increases to Rental Charges and some additional cost allocations in other departments' budgets.

Museum Director Pielack presented the budget for the Birmingham Historical Museum, which includes the Allen House and the Hunter House. In reply to Commissioner Nickita, she explained that the digitization of the Museum's holdings requires the Museum's existing records be updated first which she described as a personnel-heavy task. She stated she and her Staff will be continuing to update the existing records in the coming year in order to ramp up digitization efforts for the following year.

The meeting took a fifteen minute break, from 12:00 p.m. to 12:15 p.m.

BSD Chair Hockman presented the budget for the Principal Shopping District. In reply to Commissioner Nickita, BSD Chair Hockman stated that the budget factored in a potential April start for the S. Old Woodward project.

Library Director Craft presented the budget for the Baldwin Public Library. In reply to Commissioner Host, LD Craft stated that the Phase Three construction costs are anticipated to be around \$3.1 million.

FD Gerber presented the budgets for the Brownfield Redevelopment Authority and the Triangle District Corridor Improvement Authority and introduced the Greenwood Cemetery Perpetual Care Fund budget.

CM Markus stated that the City will be meeting with Oakland County to discuss potential economic development efforts that would benefit the Triangle Corridor. He said there are also efforts to work with developers on adding parking to the Triangle.

City Clerk Bingham reviewed the Greenwood Cemetery Perpetual Care Fund budget.

In reply to Commissioner Hoff, FD Gerber stated that the \$20,000 budgeted in FY 2020-2021 for ground penetrating radar (GPR) could be rolled over to FY 2021-2022 using a budget amendment if the GCAB recommended pursuing GPR.

Commissioner Hoff told City Clerk Bingham she should ask the GCAB about using GPR since it was on the GCAB's priority list.

FD Gerber presented the Debt Service Fund and the Capital Projects Fund budgets.

In reply to Commissioner Hoff, FD Gerber stated that capital project proposals come to the Commission for approval.

In reply to Mayor Pro Tem Longe, DPS Director Wood stated that updated bathrooms in Booth Park are planned as part of the corner feature element.

Public Comment

David Bloom expressed dissatisfaction that public comment was held until the end of the hearing. He offered comments regarding the increased calls to emergency services by retirement communities in the City, asked for clarity regarding the impact of decreasing millage rates and increasing service rates on the average resident, asked for clarity regarding how funds are invested in the commercial and residential areas, asked how the pension funding increased as much as it did from last year to the present year, asked for zoning that protects the residential areas, and asked that when streets are improved all efforts are made to preserve the trees along the roads.

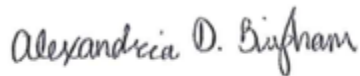
Both Mr. Bloom and Paul Reagan spoke in favor of increased code enforcement and parking enforcement in order to protect the residential areas.

CM Markus stated that for the City's size there are substantial code enforcement resources, and that both code and parking enforcement rely on the public to report issues since issues can occur at any time.

Seeing no further public comment, the Mayor closed the public hearing at 1:01 p.m. He thanked Staff, the Commission, consultants, and the public for their work on, and participation in, the hearing.

IV. ADJOURN

Mayor Boutros adjourned the meeting at 1:01 p.m.



Alexandria Bingham, City Clerk
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