

CITY OF WYOMING, MICHIGAN
Minutes of City Council Work Session
Monday, January 8, 2018

PRESENT: Councilmembers Bolt, Burrill, Postema, Postler, Vanderwood, Ver Hulst and Mayor Poll

ABSENT: None

STAFF: Balfort, Holt, Erickson, Oostindie, Rynbrandt, Sluiter, VandenBerg

1. Call to Order

Mayor Pro Tem Bolt called the meeting to order at 7:00 p.m. in the Council Chambers.

2. Student Recognition

None.

3. Public Comment on Agenda Items

None.

4. Preliminary Budget Presentation

Holt introduced Kate Balfort who will do tonight's presentation and explained with the start of the year, we will begin budget discussions to prepare for budget approval in May. These budget discussions will include major budget areas or topics that impact budget preparation. Our hope is that this information will assist Council in understanding our process and final approval. The information that will be presented tonight will also carry into the next topic on the agenda, the Public Safety millage.

Balfort noted much of tonight's discussion will address fringe benefits, as they account for a significant portion of all budgets throughout the City. Balfort explained the rates used for fringe benefits and presented slides illustrating how departments are charged for the various types of fringe benefits.

Holt noted differences in those employees in the defined benefit plan versus the defined contribution plan, noting rates for defined benefit employees is higher than the defined contribution. Departments are charged the higher rate and that helps pay the cost of pension and OPEB. Approximately 55% of employees are now in the defined contribution plan.

Balfort explained the health, dental and vision insurance costs that are charged to departments, noting differences among single, double and family rates. There is an off-set to departmental budgets for the 20% contribution made by employees to insurance premiums.

Burrill inquired about the amount of the stop loss and the cost of that coverage per employee and the number of policies that reach stop loss coverage.

Staff did not immediately have the cost of coverage per employee, but Oostindie noted generally 1-3 policies will reach stop loss with another 8-12 coming close. The amount of stop loss coverage is \$125,000. Oostindie further noted some of the statistics regarding our plan, summarizing that our plan has done really well comparably.

Balfourt presented information on benefit costs, different types of insurance and benefits, benefits compared to wages, staffing levels, employee contributions and annual required contributions per employee. Balfourt noted some of the notable changes in the past were attributable to changes in the mortality table, interest rates, contract changes such as the removal of overtime in pension calculations or the implementation of the Medicare Advantage Prescription Drug Plan.

Finally, Balfourt explained information on the health insurance fund reserves. Balfourt noted the larger balance ending in 2017 is due to anticipation of the buy-out plan for retiree health. The property insurance and workers compensation insurance funds have seen more claims and higher fluctuations in the claims. Rates for these insurance funds have remained steady.

Holt summarized this information will be in the budget and an estimated 5x5. Holt reminded Council since 2009, all new employees are in a DC plan, and we will continue to explore buy-outs to reduce our liability in post-employment benefits. There are many communities that have not made a change from defined benefit to defined contribution, but we have made that change and have done so successfully.

5. Public Safety Millage Renewal Discussion

Holt provided a 5x5 document with the most recent financial information, noting we do anticipate an additional \$500,000 from a state disbursement of personal property dollars. Holt reminded Council of changes to the collection and calculation of personal property tax in recent years and the new formula by which cities receive funding. Because there have been some recent challenges with this funding and its methodology, this funding is not carried forward through the 5x5. Holt also noted the upcoming expiration of the Public Safety millage in 2020 and the need to address the future of that funding. If the public safety millage is not renewed, it would mean a loss of approximately \$2.5 million.

Vanderwood asked for clarification on the decrease in revenue in 2017.

Holt and Balfourt explained there was an additional revenue sharing payment and grants received in 2017 making it appear that there was a decrease in 2018. Balfourt noted 2019 will be similar as the additional personal property tax payment will make revenues appear higher.

Vanderwood questioned why expenses increased by nearly \$2 million in 2017. Balfourt explained the budget includes wages for all budgeted positions but due to vacancies the actual number typically comes in below the budgeted amount. Holt explained we always fully fund budgeted positions but typically use 98% of the budget.

Holt provided 2018 election dates and deadlines should Council wish to submit ballot language to address the Public Safety millage. Holt asked Council for input and suggested Council consider the May election.

Council discussed potential election dates and whether to ask for a renewal or an increase.

Council supports a renewal of the Public Safety millage as a permanent millage and would like to have this question appear on the August ballot. Holt will have a resolution prepared for consideration at an upcoming City Council meeting.

Vanderwood asked for election data from May and August elections for further consideration.

6. Water Tower Painting/Branding Discussion

Holt introduced the discussion item and noted this came up at a recent meeting when Council was considering the painting of the Gezon water tower and asked Councilmember Postema to elaborate on his thoughts. Postema discussed some of the uniqueness of the panhandle area and how many residents think they live in Grandville. Given that these water towers are only painted once every 15-20 years, he wondered with the recent Gezon water tower award of bid if this was an opportunity to begin some branding to help identify this area as Wyoming. The panhandle is not the only area of the city where this might be beneficial, but there might be other opportunities or considerations with the Gezon Park survey and the heli-pad at Metro for some sort of branding.

Bolt mentioned Zeeland's "Feel the Zeal" campaign and the value of that branding.

Rynbrandt noted there is no existing plan to host charrettes as part of the Gezon Park process, but we could include a question about this topic in any upcoming public meetings.

Holt noted past discussion about branding or identifying neighborhoods and some of the historical monikers that have been used. Holt questioned if current neighbors would respond or recognize some of these historical names and acknowledged Wyoming's branding challenge. Holt does not object to branding but questions what that brand should be. It is possible a branding initiative is something that staff should explore further. Until that is completed it is possible to paint the water tower a solid color and come back later when the brand is more developed.

Burrill agrees with Holt about the further development of a branding concept and thanked Postema for bringing this topic forward. Burrill supports allowing staff to continue with existing responsibilities and possibly identify a consultant to help us with that.

Council held a brief discussion about paint colors and timing of a decision.

Postler suggested having an artistic design on the tower and Postema mentioned the water tower at the Detroit Zoo and how notable that is.

Council wishes to have further discussion on this topic and opportunities for branding. Holt will do some further investigation and report back to Council.

7. Any Other Matters

None.

8. Acknowledgement of Visitors/Public Comment

Andrew Hanselman, 1830 Mayflower Drive SW, provided information and his history in trying to address Air B&B or short term rentals in his neighborhood. Hanselman has had discussions with Councilmember Postema and State Representative Brann. Hanselman understood that the state may be addressing this through legislation, but now understands there may be nothing coming out of the legislature. Hanselman is asking Council to consider implementing a local ordinance to address short term rentals in R-1 zones. Hanselman provided a sample ordinance that he obtained from Spring Lake Township.

Steve Christensen, 1842 Mayflower Drive SW, noted objection to having an Air B&B next door to his home and provided additional comments on the disruption it causes in his neighborhood.

The meeting adjourned at 8:18 p.m.

Kelli A. VandenBerg, City Clerk