

CITY OF WYOMING, MICHIGAN
Minutes of City Council Work Session
Monday, April 9, 2018

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

ABSENT: None

STAFF: Balfoort, Bosker, Dooley, Holt, Ooms, Rynbrandt, Sall, Sluiter and VandenBerg

1. Call to Order

*** Due to the volume of material to be covered in the work session scheduled at 7:00 p.m. and the completion of discussion on Committee of the Whole topics, the City Manager asked Council if they wished to continue discussion. Council concurred and discussion began on the work session items. ***

Mayor Pro Tem Bolt called the meeting to order at 6:00 p.m. in the West Conference Room.

2. Student Recognition

None.

3. Public Comment on Agenda Items

None.

4. Maintenance Analysis

Bosker explained the review of maintenance positions and the outcomes of that review, noting there are currently 29 existing maintenance positions. Desired outcomes of the maintenance analysis include flexible organizational structure to support the needs of the City, job descriptions that accurately represent the needs of departments, maintaining the integrity of the Dual Trained Employee (DTE) program and ensuring and providing market-appropriate and competitive wages. As a result of this review, the committee is recommending revisions to 3 existing positions, creation of 12 new positions and closure of 29 existing positions.

There are 78 employees in the City who are in a maintenance position. Transitions to the new positions will occur based on departmental need and attrition, though 7 positions that are currently vacant will be removed upon Council approval. In addition to revised and new job descriptions, a significant effort was put toward ensuring wages were set at appropriate, but competitive levels. Multiple sources were considered to determine wages, as were knowledge, skill level, education and licensing requirements.

The budgetary impact of these proposed changes is estimated at \$111,087.27 for fiscal year 2018-2019.

Mayor Poll asked about employee satisfaction with the proposed changes. Bosker noted employees have been involved in the process, many are supportive, but a few are opposed. Council will have to approve this proposal, as will the General Employees Union and the Administrative and Supervisory Association. Dooley noted the proposal is supported by and defensible with market data.

Bosker noted no employee will see a pay reduction from the proposed changes and the changes would take effect on July 1, 2018.

This item will be presented to the City Council for consideration at a later date.

The City Council took a recess at 6:25 p.m., before resuming in the Council Chambers at 6:35 p.m.

5. Budget Review

a. Community Services

Rynbrandt presented information on the Community Services budget which encompasses Building Inspections, Parks and Recreation, Facilities, the Wyoming Library, Planning and Community Development.

Rynbrandt began by reviewing the activities within Building Inspections and the boards and commissions supported by this department and noted the Building Inspections fund is fully funded through fees and grants. Due to market variations in recent years, revenue estimates were generated using averages over the last 5 years. Recent averages suggest there are approximately 3,700 new building permits issued, generating 7,900 inspections. There are also 2,500 code enforcement complaints, generating 8,000 inspections.

Rynbrandt explained the rental property program also generates revenue in support of this budget. There are just under 2,000 rental properties in the city, providing approximately 11,000 rental units. Approximately 540 properties per year seek renewal of the rental property certificate. Depending on the results of initial inspection, property owners may qualify for a 4 year certificate. If life safety issues are present, a two year certificate is granted.

Rynbrandt highlighted special projects and new initiatives being proposed in Building Inspections, including licensed contractors must register with the City every three years and 2019 will be a large renewal year, implementation of a mobile home rental inspections component, improvement of digital files and an initiative to fully fund the OPEB obligations within the Building Inspections Fund.

Rynbrandt reviewed other revenues sources including construction permitting, code enforcement, grant funds (CDBG) and rental inspection fees. Rynbrandt also discussed

operational changes that have budgetary impacts, including the change in how rental certificates were changed from a quadrant system to allowing 4-year rental certificates.

There was brief discussion about the opportunity to fully fund the Building Inspections Fund. Holt explained the Finance Department is continuing to explore the feasibility of doing this in several of the City's enterprise funds.

Rynbrandt next outlined the Parks and Recreation Fund, noting the various service areas within that fund. Due to the recent presentation of the Parks and Recreation Annual Report, Rynbrandt will be brief in her comments. There has been a 2.3% increase in revenues in this fund and 6% increase in expenses.

Rynbrandt noted efforts will soon begin on a 5-year community recreation master plan. Other items of note include several key staff transitions are anticipated in the coming year, there are also new capital projects totaling \$151,700 and a full review of parks and recreation fees. Rynbrandt outlined the capital projects being planned through the parks system. Rynbrandt also noted parks and facilities with limited or no use due to renovations or delayed funding for renovations.

Rynbrandt noted TEAM 21 will not be reflected in the budget due to the timing of the release of the grant award from the federal government that supports this program. This will be reflected as a budget amendment after the start of the fiscal year.

Rynbrandt reviewed the Wyoming Library Fund, noting the new fund structure has been fully implemented which results in \$384,000 being available to support parks or library capital projects. Rynbrandt explained at this time, we are awaiting more information related to parks capital project costs to determine how this funding will be distributed among parks or library capital projects.

Rynbrandt next explained the services and functions of Planning Services. This service area is funded through the General Fund. Items of note in the coming year include full implementation of the Burton Street Form Based Code, Redevelopment Ready Communities, and becoming an Opportunity Zone. The Land Use Plan update will be another large item in the coming year. Rynbrandt discussed staffing of the Planning Services area, including the hiring of a new Principal Planner and other potential staff transitions.

Council held brief conversation about the update of the land use plan and the timing of that project. Rynbrandt noted some of the timing has been driven by staff transitions and the need for public engagement.

b. General Fund

Balfourt reviewed revenues, including detailed information on the property tax millage rates and anticipated revenues from other sources. The revenue projections are based on a slight increase in property values and state shared revenue. Federal grants have not been included in revenue projections because they are not guaranteed revenue sources. Grants are recognized through budget amendments at the time of distribution.

Balfourt noted expenses appear to be higher in the 2019 budget, as the budget represents full staffing costs. Savings were realized throughout the year through personnel vacancies, legal expenses and grant-related expenses. In addition, the 2018 amended budget includes an extra \$497,000 from a bonus personal property tax reimbursement from the State of Michigan. This amount was not included in the original 2018 budget.

Balfourt reviewed historical information on the City's receipt of state shared revenue, noting the 2018 estimate is 25.6% higher than what was received in 2010, but is still less than the amount received in 2002. Balfourt also reviewed the City's receipt of personal property tax loss reimbursements. In both 2017 and 2018, the City received substantially more funding than anticipated from this reimbursement. Due to continued questions about the calculation used for this reimbursement, the City has continued to budget only the base amount expected. Holt noted some of the nuances related to the new personal property tax calculation and how political influences may wish to alter the use of these funds.

Balfourt noted General Fund budget highlights including the updated land use plan, expansion of the cadet program, as well as equipment replacement and larger building maintenance projects. Balfourt explained the Drug Forfeiture Fund, noting these funds are generated from narcotics-related law enforcement. This funding is not guaranteed and is tracked separately from the General Fund, as we are required to use these funds specifically for Police Department expenses. Equipment purchases from this fund were outlined.

Balfourt reviewed a summary of personnel changes, noting employment is fairly static. The Fire, Building Inspections and Police departments have minor changes proposed. Balfourt also noted additional funds were included in the budget to fund potential changes to the personnel schedule based on anticipated transitions.

Balfourt reviewed the General Fund 5x5, noting assumptions used in the preparation of the 5x5 are available in the budget binder provided to the City Council. Holt cautioned Council that while the 5x5 presents a more positive view than in recent years, it does not include the addition of staff or services.

Balfourt noted Council held previous conversations about the opportunity for a Payment in Lieu of Taxes (PILOT) on the water and sewer properties. This would enable the capture of lost tax revenues on the water and sewer properties. Using an average non-winter quarterly water and sewer bill, the PILOT would result in an increase of \$3.47 per quarter for the average resident. The PILOT would generate approximately \$400,000 per year. Holt noted the current budget does not include the PILOT. It would be a Council decision whether to pursue this or not. Staff is prepared to implement the PILOT if desired.

Council held discussion on the function and applicability of the PILOT and the revenues it could generate. There was lengthy discussion about exploring the PILOT or waiting, as well as the impact to the budget and overall service level.

Balfoort noted information on the insurance, pension, OPEB and capital projects revolving funds is provided as informational material, as these items are not part of the City's budget approval process.

Balfoort indicated additional component budgets (Downtown Development Authority, Greater Wyoming Community Resource Alliance, etc.) will be presented at the May work session and Council will be presented with some of the proposed changes to departmental user fees at that time.

Balfoort noted a budget amendment has been distributed. This item will be provided at the April 16 City Council meeting, explaining that Act 51 funding has limitations on the administrative costs that can be allocated and we are getting close to that limit. This budget amendment process has been recommended by the State of Michigan and will ensure we do not exceed the limit.

Council supports moving the budget amendment forward to the next regular meeting.

Holt discussed the budget process and asked if Council wished to have additional sessions. Council does not wish to have additional budget review sessions.

Holt asked if Council wished to pursue the PILOT and include that in the final budget presentation. There was general consensus to pursue the PILOT.

Holt noted the budget public hearing will be held on May 7, with the final budget review and component unit budget review on May 14. Final budget approval is scheduled for May 21. Staff will update the 5x5 with PILOT information and distribute that to Council for consideration.

6. Any Other Matters

None.

8. Acknowledgement of Visitors/Public Comment

None.

The meeting adjourned at 8:21 p.m.

Kelli A. VandenBerg, City Clerk