

CITY OF WYOMING, MICHIGAN
Minutes of City Council Work Session
Monday, February 12, 2018

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

ABSENT: Ver Hulst

STAFF: Balfort, Dooley, Holt, Oostindie, Rynbrandt, Sall, Sluiter and 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. Citizens Task Force Report

Holt explained the use of an eight-member citizens task force to explore the financial circumstances in the City of Wyoming, particularly the general fund, and reported on some of the suggestions generated from that review. A significant amount of information was shared with this group to ensure a thorough understanding of the various factors involved in financial decision making and financial constraints. The group had discussion and explored many options that the City might consider to aid in minimizing the structural deficit that the City continually faces. The committee suggested a review of user fees before any additional tax is requested and had further discussion about pros and cons of an income tax. Finally, the committee encouraged more communication or education for the public on the City's financial constraints and funding mechanisms.

Holt explained this is provided as an informational item only, there is no Council action required on this. The committee can explore further options should Council have additional questions.

Vanderwood inquired about the committee's thoughts on renewal of the public safety millage. Holt indicated there was discussion about staffing levels in particular. The committee did feel it was important to maintain funding to ensure sufficient staffing, so they were supportive of a millage renewal.

Vanderwood further inquired about communication and education and requested additional information to help explain the renewal of the public safety millage. Holt will provide that information.

Bolt asked about the committee's review of user fees. Holt explained the committee felt user fees were within the City's control and should be maximized before other funding requests are made. Holt has asked department heads to review user fees to ensure we are charging appropriate fees. In recent reviews of fees between Wyoming and neighboring communities, Wyoming's fees were within market.

Mayor Pro Tem Bolt thanked the committee and support staff for their efforts on this task force.

5. Council Policy Manual Review

VandenBerg reviewed recommended amendments to Sections 1 and 3 of the Council Policy Manual. Many of these are small amendments that would be considered housekeeping type adjustments to ensure practice and policy are consistent.

Council supports bringing this to the next regular City Council meeting.

6. Gypsy Moth Program

VandenBerg provided information on the 2018 treatment program, noting the treatment recommendation includes a significant increase in acreage. VandenBerg also noted exploration of cost savings through cooperative efforts with neighboring communities or a multi-year agreement with the aerial applicator. Because of the funding mechanism used to fund the gypsy moth program, VandenBerg does not recommend a multi-year agreement with the aerial applicator. Council will begin to see gypsy moth related action items beginning in March.

Mayor Poll asked about treatment in new areas of the City. VandenBerg explained the parcel-level maps will be available soon to verify exactly which properties would be treated, but it is very likely with the expanded treatment area that there will be new areas treated.

7. Branding

Sall provided information on branding opportunities, noting there are many facets to branding. This conversation began when Council recently considered repainting the Gezon Water Tower. At this point, staff would recommend painting the tower white with subdued Wyoming markings to allow for further development of the City's brand.

Sall noted several branding suggestions have been made. Staff feels that any of these suggestions could be feasible, but should be part of a comprehensive branding and community outreach plan. Sall noted an initial challenge would be consideration of the multiple logos used throughout the City. Sall also proposed working with Sabo PR to explore our logos and consider a comprehensive branding effort.

Postler questioned the timing of painting other water towers and whether efforts would be better spent on exploring a new branding opportunity and applying the results of that exploration to

these future projects. Sall noted the value of being consistent with the painting of water towers and the opportunity to have matching branding on both the Gezon Water Tower and on the water tower near City Hall.

Council supports staff's continued exploration of the branding initiative.

Burrill inquired about timing and Holt noted he hoped to have something more definitive by later this year.

8. Budget Review

Balfort reviewed revenue funds and provided a snap shot of the general fund as of today. Balfort reviewed sources of general fund revenue, including tax income, transfers, state shared revenue, administrative fees and other revenue. The bulk of the revenue comes from taxes (53%), followed by state shared revenue (19%), administrative fees (13%) and other revenue (15%). Balfort presented a multi-year review of millage rates, noting various influences or decisions that have caused fluctuations.

Balfort reviewed the General Fund Tax Revenue, noting a slight increase in property values and extra funds received from the state for personal property reimbursements. Holt offered further information on the personal property tax calculation and noted there may be changes coming to the formula and a future correction related to the payments that have been made to date.

Balfort reviewed revenues received for police, fire and public safety millages, noting implementation dates of new millages and renewals. The taxable value continues to slowly rise, but compared to 2009, it is estimated the City continues to realize a loss of \$1.1 million in tax revenue.

Balfort reported on State Revenue Sharing, noting losses of approximately \$1.5 million compared to 2002. Balfort also explained some of the challenges with estimating these revenues. Due to difference in the City's budget cycle versus the State's budget cycle, we are often estimating 9 months to a year ahead.

The administrative cost allocation includes the costs of certain internal service departments and the allocation of those costs to other departments such as Public Works, Utilities, Parks and Recreation and Building Inspections. These departments are charged a fee for the allocation of these departments, which then refunds the General Fund. This year, it is expected this cost allocation will refund a total of \$3.6 million back to the General Fund.

Balfort reviewed expenditures, noting the greatest expense is personnel, totaling \$24 million. The majority of General Fund expenditures occur in police and fire, most notably personnel.

Balfort reviewed the General Fund Balance Projection, noting the fiscal year 2017 was projected to be a deficit of \$250,000, but the actual amount was a surplus of \$1,314,005. Balfort explained the 2017 actual was atypical and was primarily driven by staff vacancies. The fiscal year 2018 projected balance was expected to be a deficit of \$836,000 but the actual should be closer to a deficit of \$241,516.

Balfoort reviewed the 5x5, a projection of the General Fund, both as of May 2017 and a current version reflecting the additional revenues received. These projections incorporate the public safety millage renewal. Projections would change if the public safety millage is not approved.

Vanderwood asked how the revenue sharing estimate is generated. Balfoort noted there are various methods used, including consideration of past averages and direct communication from the Treasury Department.

Councilmember Postema asked what the potential adjustments could be to the personal property reimbursement formula. Holt explained even among West Michigan communities there is great variety in increases and decreases in the amount received for personal property, so there is really no way to know what changes will be made.

9. Lamar Park Softball Field Lights

Rynbrandt explained a brief history of Lamar Park and the plans that have been developed to continue to enhance this park, including installation of lights on the softball field. The electrical system needed to support these lights is already in place and a national bid is being used to purchase the base product. The lights to be installed will be LED, requiring an upcharge of approximately \$40,000. There is also a 25-year warranty and service contract that provides for monitoring and replacement of the lights.

Council supports moving this item to the next regular Council meeting for consideration.

10. Rental Fees on the Tax Roll Ordinance Update

Rynbrandt explained the practice of including delinquent fees generated from various building inspection rental service fees in the tax roll. During a recent review, it was suggested this practice could be open to interpretation, despite past practice. The dollar amount in question totals approximately \$100,000. In order to affirm this approach, staff is suggesting an amendment to the ordinance.

Burrill asked for clarification on the types of charges that would fall into this delinquent category. Rynbrandt noted they are frequently failure to certify as a rental property, as well as the actual inspection of rental property.

Council supports moving this item to the next regular Council meeting for consideration.

11. Any Other Matters

None.

12. Acknowledgement of Visitors/Public Comment

Mic Dwarshuis, 960 Cricklewood SW, noted he has tried to communicate with Rogers Plaza to request that their snow plow driver not pile snow near the gate. This creates an obstruction for walking, especially those who are in wheelchairs. Throughout the spring, the pile melts creating

an icy, slushy mess for a very long time. Mr. Dwarshuis hopes the city will be able to assist. Holt noted the City did reach out to the plaza late last week and have not yet received a response.

Kathey Batey, a member of the citizens task force, commended the council on its efforts and complimented Holt and staff on their assistance with the task force. Beatty appreciated the opportunity to be part of this review. Beatty also suggested Council consider using students to help generate artistic ideas for the water tower. Beatty has twice used students to help with the illustration of books and had a very positive experience.

The meeting adjourned at 8:08 p.m.

Kelli A. VandenBerg, City Clerk