



City Council Budget Study Session Minutes

Monday, May 10, 2021 at 6:00 PM
27400 Southfield Road, Lathrup Village, Michigan 48076

ZOOM REMOTE MEETING INFORMATION

Webinar ID: 991 1684 9779

Password: 541854

CLICK HERE: <https://zoom.us/j/99116849779?pwd=a1Q2SndyKzdlazgyZ1lWVA5THJzZz09>

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In accordance with Emergency Orders issued by the Michigan Department of Health and Human Services, Oakland County, local officials, and State of Michigan legislation, which allows for electronic meetings of public bodies, notice is hereby given that the City of Lathrup's City Council will be meeting electronically using www.Zoom.us for videoconference and public access.

Call to Order at 6:00 p.m. by Mayor Pro Tem Kantor

Present - Mayor Garrett and Mayor Pro Tem Kantor

Council members : Ian Ferguson and Saleem Siddiqi

Excused: Councilmember Donna Stallings

All Councilmembers present are meeting virtually and they are located in Lathrup Village, MI - Oakland County except Bruce Kantor is in Harbor Springs, MI – Emmet County.

Others Present: Dr. Sheryl Mitchell Theriot, City Administrator, Pamela Bratschi, Assistant City Administrator/Treasurer, Scott McKee, Police Chief, Scott Baker, City Attorney, Susie Stec, DDA Director

Also Present: Scott Ringler, Giffels Webster

2. Discussion Items

A. Fiscal Year 2021/22 Budget

Scott Ringler – Giffels Webster discussed pavement project started last Tuesday. Cold milling has been done for all of the group 1 streets. All went well but the streets that had gravel underneath the asphalt that were milled which are- Glenwood West and Cambridge. There's a section of Glenwood that had a lot of clay that the engineers are recommending to be removed and replaced with a good aggregate base. This will cost approximately \$20,000 based on what the other streets cost. Approximately 5 inches of clay will be removed and put in 10 inches of aggregate and 5 inches of asphalt. The goal for this week is to have the streets paved with the first lift of asphalt.

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It's recommended to stay off the road for 5-7 days. Exterior excavations will begin as soon as Miss Dig does the staking. Working on gate valves and phase 1 -Fire hydrants are close to completion. Sidewalk update – sidewalk marking is almost done and the next step is to do an RFP for sidewalk project. Susie Stec stated the marking of sidewalks is almost done and she's had positive feedback from residents.

Dr. Sheryl Mitchell Theriot gave an overview and answered specific questions. The continuation of the extenuating circumstances created under the COVID-19 pandemic has impacted government and business operations. Anticipating receiving from the American Rescue Program \$400,000 but the guidelines on how it's to be used has not been issued yet.

Millage Rates FY 21/22 is projected at 24.4906 which is increased.

This includes the citizen authorized Street Bond Millage of 3.9307.

This generates \$2.73 million in general operation revenues (approx. - \$20,000 increase)

This reflects a reduction of the General Operation Millage to 17.8783

The Taxable Value is based on \$152,930,000 Mayor Pro Tem Kantor asked the City Administrator to add the FY 21/22 millage rate without the road millage which is 20.5599 to show the comparison - the millage rate is decreasing through Headlee).

The FY 20/21 millage was at 20.9198

The FY 19/20 millage rate was at 21.2947

Discussed – General Fund Revenues

Revenue sharing payments reflect a decrease of approximately 2%. There has been a decrease in revenues due to the non-use of the community room in the recreation generated revenues. We did receive a number of grants from the Federal Government, State of Michigan and Oakland County. Public Safety payroll reimbursement, First Responder hazard pay and other coronavirus relief funds in the amount of over \$200,000.

Discussed - General fund - Other Revenues

Community Room Rental Revenues reduced further to \$10,721 - \$15, 000. Due to the pandemic, many scheduled events for the community have been cancelled.

The reduction in donations reflects the amount that the Lathrup Village Community Foundation has approved. Also, \$7,800 that is for the summer concert performers will be paid directly by the Lathrup Village Community Foundation.

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There will be only 1 election this year without reimbursement from the State of Michigan since it will be a local election.

Dr. Mitchell Theriot gave an overview of what the Coronavirus relief funds were used for -public safety payroll reimbursement, technology we had to put in place for example, Zoom so that we can continue to function.

Discussion - Summary of Expenses

Just about every department has reduced expenses.

The original Capital Improvement Plan reflected acquisitions of \$331,450. This was dramatically reduced in the proposed budget to \$100,450.

Increases in Major/Local Streets, Water/Sewer fund and the Dept Service fund are all related to the Street and CIP Bond projects that were authorized.

The area that did not show a decrease is Department of Public Services- Leaf and Refuse collection because the costs are passed on to the contractor.

Staffing

There is a 2% salary increase for officers and administrative staff.

The 2nd Sergeant Position has been filled and budgeting to fill 2 full-time officer positions in the Police Department. The 12-hour shift did not result in any cost savings and will not be continued. The building inspection contract is reduced since the code enforcement services are now addressed by a full-time position. The costs for this position are shared with the DDA.

General Fund - Administration

Part-time code Enforcement position is no longer reflected in the part-time wages.

There is only the general election in November in 2021.

Legal Services are reduced since there will not be contract negotiations this year.

Discussed - General Fund – Building & Grounds

Temporary salaries & wages are reduced, anticipating the reduction in the twice daily sanitizing to once per day.

Parking Lots & Grounds increased \$4,000 for contracting with City of Southfield for the required sweeping of the City Hall and DPW parking lots under the MS4 Permit.

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Discussed - General Fund – Public Safety

The Police Department is budgeted to be fully staffed. There should be a corresponding reduction in overtime.

The actual costs for the contract with the City of Berkley for Prison Lockup is running lower than previously budgeted.

The contracts for Southfield Fire and Emergency Dispatch services reflect 2% increase.

Discussed - General Fund – Public Services

Phase 1 of the Sidewalk Maintenance Program is being implemented. Property owners have the option to hire their own contractors for the repairs or have the sidewalks repaired by the City's contractor. Repayment plans – have the option to pay over a 2 -year period. This requires the city to pay up front. The sections are: residential south of 11 Mile/I-696 and the Southfield Business Corridor. Estimates are for approximately 450 sidewalk flag replacements (\$150 each): \$67,000

City Council agreed to pay for the root grinding of city trees estimate of 27 at \$75 each: \$2,175.

Adding 15% contingency and engineering costs, total project is \$97,100.

Discussed - Lathrup Services

Contractual – Cost of living is not currently reflected in this budget.

The contract is divided between-

General Fund – Public Services – Contracted Services (31.32%)

Local Roads (16.17%)

Major Roads (16.17%)

Water Fund (18.17%)

Sewer Fund (18.17%)

Discussed - Recreation

Community Room is available for rental but there is a reduced number of attendees that are permitted. We anticipate that rental will not increase greatly.

Community events are difficult to project and remain reduced.

Concerts are reduced because the Lathrup Village Community Foundation will be paying the performers directly.

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Discussion - Major Streets

Public Act 51 figures are not finalized but expected to be relatively flat.

There is a need to set aside funding for upcoming reconstruction of the next sections of 11 Mile Rd.

The Capital Improvement – Street funds reflects the use of street bond millage for projects. Discussion of tracking the major/local street fund growth. Pam Bratschi stated that once the figures are known, budget amendments will be made to reflect the change(s) in order to see the impact of the fund balance. The money will be placed in a debt millage fund and transferred over to pay the bonds.

Discussed - Local Streets

There are no funds from Major Streets or the General fund that will be transferred to the Local Street Fund.

The Capital Improvement-Street Funds reflects the use of street bond millage for projects.

Mayor Pro Tem Kantor stated he'd like to see the projected fund balance for FY2021-22 for this line item.

Discussion - Water Fund

There will be an increase of \$7 to pay for the water related Capital Improvement Projects.

Discussion by Mayor Pro Tem Kantor of the water/sewer fund surplus and how it's being used toward the water/sewer projects. Discussion of the water rates noted as a surcharge will recalculate to see if it needs to be adjusted.

Discussion - Sewer Fund - Sewer Rates

Rates are estimated to increase due to the Detroit/Evergreen Farmington rate increase, the Chapter 20 drain project and the Capital Improvements Bonds/Projects. The sewer rate increase is \$1.56.

Sanitary Retention tank has approximately \$550,000 of upgrades will be paid by the bond dollars.

Discussion - Debt Service

Reflects the principal payment on bond obligations. Sewer bond – \$82,113 due yearly in April and October.

The Capital Improvement Bonds does not have a principal payment due until October 1, 2022.

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Dr. Mitchell Theriot will re-prioritize the Capital Improvement recommended by the Planning Commission. Removing city hall renovations, the golden gate park study, the splash pad study and phase 2 of the police study. Will move forward with the portable radio for the police officers. Due to the cost of some of the vehicles needed for DPS(backhoe tractor & pickup truck -plow ready) – will look into paying for them over a 3 -5-year period. Net impact of \$110,450 for capital improvements. We have submitted a grant application to the Michigan Department of Natural Resources trust fund for Sarrackwood Park upgrades will cost approximately \$100,000 the city will match with \$25,000 if approved, we will have to pay up-front and get reimbursed \$75,000 from the State of Michigan. This will be placed in an assigned use of the fund balance - \$25,000 will be budgeted.

Discussed what we're expecting to spend out of bond dollars in current fiscal year. Capital improvement plan start in July and most of the projects are expected to be done over the next 3 years.

C. Discussed Fee Schedules – Proposed Changes

Proposed Rental Registration and Fee Schedule – overview by Susie Stec:

Mayor Garrett asked for a comparison table of fee schedule old -vs- new.

She has looked at surrounding communities to do a comparison study. The current fees do not cover the inspection cost.

Mayor Pro Tem Kantor suggested we check into increasing business license fees/renewals. Susie Stec suggested that due to coronavirus, we've lost 20-30 businesses and she's hesitant to raise the fee. She will do a cost comparison with other cities and possibly increase next year.

Discussion of sign ordinance – City Attorney stated he will check with City Planner to include flags in this ordinance. It was updated that the total number of flags on any lot should not exceed more than 4. Mayor Pro Tem Kantor suggested that flags should be considered as a sign.

D. Discussed Crown Act Proclamation

Mayor Garrett stated that Oakland County Board of Commissioners will do a proclamation on the Crown Act which will prevent discrimination of those who wear protective hair styles. After it's received from Oakland County, Lathrup Village City Council will present a resolution as well.

3. Mayor and Council Comments

Mayor Garrett announced that the Michigan First golf outing will be- May 24th. State of the City will be June 23rd at 11:00 a.m. Reminded City Council to send in evaluations. April 19 - Ascension Hospital has opened a community vaccination center at the Southfield Pavilion for all Michigan residents. Walk-ins are welcome but appointments are recommended contact -ascensionhealth.inquicker.com/vaccine.

In conjunction with the Black Women Lawyers Association will have a food drive on Saturday, May 15, 2021 at 1:00 p.m. -4:00 p.m. at City Hall parking lot – Volunteers are needed.

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Council member Ferguson asked about the DPS vehicles that will be purchased. Social workers for mental health to be available for staff and residents. Discussion of Social Workers will be on the June Council Agenda meeting.

4. Public Comments

None

5. Adjourn

Motion by Council member Siddiqi, seconded by Mayor Pro Tem Kantor to adjourn this meeting.

Meeting adjourned at 7:24 p.m.