



City Council Budget Study Session Minutes

Monday, May 17, 2021 at 5:30 PM
Remote Meeting

1. ZOOM REMOTE MEETING INFORMATION

Webinar ID: 919 6279 2081

Password: 651253

CLICK HERE: [Online Link](#)

<https://zoom.us/j/91962792081?pwd=RWlwb05zQTRWL0tva0x2UjNkVDhKdz09>

Telephone: 646.558.8656 or 312.626.6799

CLICK HERE: [Public Comment Form Link](#)

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.

2. Call to Order

Mayor Garrett Call to Order @ 5:40 p.m.

All City Council Members stated they are located in Lathrup Village, MI – Oakland County except Council Ian Ferguson is located in W. Palm Beach, Florida – Palm Beach County.

Excused: Council Members Donna Stallings

Present: City Administrator, Dr. Sheryl L. Mitchell Theriot, Assist. City Administrator/Treasurer, Pamela Bratschi, City Attorney, Scott Baker, Police Chief, Scott McKee, Director, Community and Economic Development/DDA, Susie Stec, Government Services, City Clerk, Yvette Talley

3. Discussion Items

A. Downtown Development Authority (DDA) – Fiscal Year 2021-22 Budget

Susie Stec gave an overview and answered specific question - Downtown Development Authority (DDA) – Fiscal Year 2021-22 Budget. Due to the Michigan First expansion, there was a significant addition to their budget. DDA Board increase their revenue projection to \$305,000. Budget items are fairly consistent and balanced with cost shared agreements for: Code Enforcement salary, landscaping for city hall, flower beds, mowing contract for I-696 and website costs. During the DDA meeting on May 21, will adopt the Fund Balance policy for the Southfield Road project.

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B. Fiscal Year 2021-22 – Rate and Fee Schedule

Susan Stec stated the fees are the same for residential and commercial – there is no distinction. Checked with surrounding communities for cost comparison. Inspector's fee is not covered in the current rate. Rates will start with fiscal year July 1, 2021.

C. Fiscal Year 2021-22 – Budget Hearing- Discussion

Dr. Shery Mitchell Theriot gave an overview and answered specific questions. Fiscal Year 2021-22 will start July 1, 2021.

Most departments have had internal reductions – operating on a tight budget. The budget is short \$225,775.

Changes which are due to the bond money- street improvements and capital improvements. General operating millage, millage rate- 24.4906 (this generates \$2.73 million in general operating revenues (approx. \$20,000 increase). General operating millage is reduced to 17.8783. The increase is due to the street bond millage 3.9307 mills which was the voter authorized street millage. Using a taxable value that is based on \$152,930.

General Fund revenues – information from the state is that this will be decreased 2% budget reflects a decrease of \$187,306 in revenue.

General Fund Expenditures – were reduced but reflecting the short fall of over \$225,000.

General Fund Balance will be \$1.5 million currently projected to be \$1.7 million.

Other Revenues – reduced by \$10,721 due to the community room rental revenues reduced as a result of COVID-19 pandemic. Lathrup Village Community Foundation reduction will make payments directly to the summer concert performers. Expecting an increase in licensing and registrations to reflect the enhanced efforts with business licenses. Commended staff for working during the pandemic most City Halls have been closed in other communities.

Expenditures discussed: Every department has a reduction with exception of DPS.

Summary of Expenditures - Capital Improvement- reflected acquisitions of \$331,450. This was dramatically reduced in the proposed budget to \$100,450.

Government Services Expenditures – Citizen communication/PR increased for additional costs related to publishing Your Town quarterly and communications related to water, street and other projects. Training and conferences reduced to reflect trainings are being held remotely. City Planning/Consulting Fee – DDA has taken on the cost reflected Master Plan consulting. There has been an increase in postage. Community Center Payments – projected reduced rentals and associated costs. The building Inspection contract is reduced since the code

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enforcement services are not addressed by a full-time position. The cost for this position is shared with DDA. There will be one election which is November 2, 2021.

Administration – General Fund Expenditures – There is a 2% salary increase for officers and administrative staff. The 2nd Sergeant Position has been filled and we are 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. Legal services reduced since there will not be contract negotiations this year.

General Fund – Building & Grounds – Expenditures

Temporary Salaries & Wages reduced anticipating the reduction in the twice daily sanitizing.

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

General Fund – Public Safety- Expenditures

Police Department is budgeted to be fully staffed. There should be corresponding reduction in overtime. The actual costs for the contract with the City of Berkley for Prison Lockup is running lower than previously budgeted. This is reduced to be more closely aligned with the actual experience over the past 2 years. Contracts for Southfield Fire and Emergency dispatch services reflect a 2% increase.

General Fund - Public Services – Expenditures – Sidewalk maintenance Program is being implemented. Property owners have the option to hire their own contractors for repairs or to have the sidewalks repaired by the City's contractor. Repayment plans can be extended. This requires the City to pay for the Sidewalk Program up front. Section of the city south of 11 mile/I-696 and the Southfield Business corridor. Estimates are for approximately 450 sidewalk flag replacements (at \$150 each): \$67,000. City Council agreed to pay for the root grinding of city trees (est. 29 at \$75 ea.); \$2,175. Adding 15% contingency and engineering costs, total project is \$97,100.

General Fund – Recreation – Expenditures – The community room is available for rental but there is a reduced number of attendees that are permitted. We anticipate that the 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.

Major streets- Public Act 51 figures are not finalized but expected to be relatively flat. There is a need to set aside funding for the upcoming reconstruction of the next sections of 11 Mile Rd. The Capital Improvement Street funds reflects the use of street bond millage for projects. Looking to transfer in approximately \$800,000 for projects and \$1,000,000 projected for next year under the major street fund category. Looking at the bond interest of \$98,000.

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Local Streets – No funds from Major Streets or the General Fund will be transferred to the Local Street fund. The Capital Improvement – Street funds reflects the use of street bond millage for projects.

Water Fund – Rates- FY 21/22 Water rate is increasing \$0.26 to \$43.74 (based on 1000 units) If the Water Bond Interest payment were to be added to the water rate, the increase would be \$16.30 per month. Instead of adding to the water usage rate, the Water Bond is being repaid through the CIP surcharge at a flat rate of \$10.70 per month.

Water fund – Water/CIP Bond related revenues/expenses – Revenues – Transfer from Bond is to cover the CIP projects. Capital Expense – added for CIP projects: water meter, stop box replacement/verification, lead & copper line replacement, water main, fire hydrants, gate valves. Water purchase - SOCWA has projected a 2% increase.

Sewer Fund Rates – Rates are estimated to increase due to the Detroit/Evergreen Farmington 3% rate increase, the Chapter 20 drain project and the Capital Improvements Bonds/Projects. The sewer rate increase is \$1.56.

Water & Sewer Average Monthly Rates – Minimum monthly water rates on residential customers bills will increase from \$21.32 to \$32.13 per month. **Water bills will not be below \$65.69.**

Debt Service – Reflects the principal payment on bond obligations. The Capital Improvement Bonds does not have a principal payment due until Oct 1, 2022.

There will be a re-scheduled budget public hearing on May 25, 2021 at 6:00 p.m.

4. Discussion Items

A. Planning Commission Appointment

Planning Commission Appointment - discussion of candidate qualifications for the planning commission. Recommendations - Robin Dillard-Russaw - completing term ending August 31, 2021 (of Charito Hulleza) and her new term will be September 1, 2021 – August 31, 2024. Terrence Hicks completing term (of Anna Thompson) ending August 31, 2022. Keep Dawn Medley resume on file for future committees.

5. Mayor and Council Comments

Mayor Pro Tem stated – regarding bumper blocks- there is a major reconstruction project going happening on the West side of Southfield Road between Cambridge and California S.W. (they do not have bumper blocks) City Attorney Scott Baker stated they will have to bring the whole

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parking lot up to current ordinance standards. DiMaggio Fine Art police report indicated they had 7 false alarms visits. They've been previously cited for excessive false alarms. City staff will do a follow-up. Chief McKee stated he will follow-up on the matter.

Susie said there will be an inspection of the Annie Lathrup School building with the Fire Marshal, Code Enforcement and City Staff. Dr. Mitchell Theriot said they will check to see if the building is properly registered as well.

6. Public Comments

Public Comments - None

7. Adjourn – 7:00 p.m.