



**CITY OF OAK PARK, MICHIGAN
SPECIAL BUDGET WORK SESSION OF THE
36th OAK PARK CITY COUNCIL
May 2, 2016
4:30 P.M.**

MINUTES

This Special Budget Work Session of the 36th Oak Park City Council was held in the Executive Conference Room of City Hall located at 14000 Oak Park Boulevard, Oak Park, MI 48237.

Notice of this Work Session was given in compliance with the provisions of Act 267 of the Public Acts of Michigan, 1976, as amended, the "Open Meetings Act".

The Work Session was called to order by Mayor McClellan at 4:30 P.M.

PRESENT: Mayor McClellan, Mayor Pro Tem Burns, Council Member Rich, Council Member Radner, (Arrived at 4:40 PM)

ABSENT: Council Member Speech (Excused due to illness)

ALSO PRESENT: City Manager Tungate, City Clerk Norris, Assistant City Manager Yee, City Attorney Gillooly, Human Resources Director Brooks, Assistant to the City Manager McLain, Finance Director Johnson, Deputy Finance Director Winters and Deputy Finance Director Crawford

Special Work Session to discuss the FY 2016-2017 budget (includes FY 2017-18 and FY 2018-19)
Council reviewed department presentations and budget highlights as follows:

Public Works Kevin Yee

- Addition of a Building Maintenance Repairer position
- No fee increase for solid waste (a 2% increase would allow us to keep the Solid Waste fund balance as is) Instead, we will need to use Solid Waste fund balance
- \$1.8 million in road projects for FY 2016-17, including Granzon St. between Church and Coolidge, and \$400,000 each year through FY 2018-19 to match grant funding for 9 mile road
- Receiving an additional \$400,000 in Act 51 money in FY 2016-17 that will help us to cover above costs

Water & Sewer Kevin Yee, Rocco Fortura

- Plante Moran water rate study recommended 7% blended increase in water and sewer rates for the first four years
- Instead, Administration is recommending a 7%, 6%, and 4.5% combined rate increase for Fiscal Years 2016-17, 2017-18, and 2018-19 respectively
- These less than recommended rate increases will allow the Water and Sewer fund to break even by the end of the of the three year budget, but will use \$508,646 of Water and Sewer fund balance for FY 2016-17
- We have \$8.8 million of necessary capital improvement projects coming from the Water and Sewer fund through FY 2020-21

Technical & Planning _____ Robert Barrett, Dave DeCoster

- Addition of an Assistant City Engineer to address the staffing needs that come with increased amount of projects coming down the pipeline
- Addition of two new vehicles (approx \$18,000 per vehicle) in FY 2016-17
- Addition of one new vehicle in both fiscal years 2017-18 and 2018-19
- Community Center building and security improvements (cameras, key fobs, generator, roof repairs)
- Code enforcement as a priority

District Court _____ Nancy Waldmann, Judge Friedman Appel, Judge Gubow

Court Operations

- Caseload: Approximately 25,000 this year
- Collections: Striving to keep collections current through payment plans and tax garnishments
- Revenue: Expect revenues to be approximately \$70,000 higher than projected

Special Programs/Community Outreach

- Veteran's Court: Received a grant for the 3rd year in a row to operate a Veterans Treatment Court – specializes in the treatment and rehabilitation needs unique to veterans
- Night Court: Partner w/Tri-Community Coalition & Youth Assistance to put on annual Night Court program, which introduces teens to the realities of the criminal justice system
- DPW Program: Partner w/ Oak Park DPW to assign probationers to clean up projects under the direction of DPW. Last year completed approx. 1,500 hours of community service in Oak Park

Capital Improvements/Court Renovations

- Paint & Carpet: Currently painting/re-carpeting all public areas of the Court
- Courtroom Renovation: \$250,000 budgeted in FY 17' from Municipal Building Fund
- Roof & Heating/Cooling: \$200,000 budgeted in FY 17' for roof repairs, \$50,000 budgeted in each year through FY 21' for HVAC repairs from Municipal Building Fund
- Court Security: Money is allocated from Drunk Driving Fund to enhance security in the building – including the installation of new camera surveillance

City Attorney (Legal Services) _____ John Gillooly

- Labor attorney remains flat fee at \$60,000 per year
- City Attorney remains flat fee retainer although the City Manager is recommending that the firm be locked in with a contract extension for the full 3 year budget period through the end of FY 2018-19
 - They have requested an increase of \$5,000 per year for their retainer (includes MTT) beginning FY 2017-18 (from current of \$140,000 annually to \$145,000 annually)
 - Hourly litigation rate is currently \$135 per hour and they are requesting an increase to \$140 for FY 2017-18 and FY 2018-19
- Prosecuting Attorney remains flat fee at \$60,000

Public Safety _____ Steve Cooper, Mike Pinkerton

- Addition of one public safety officer every year through FY 2018-19
- Motor Pool:
 - Moving to an SUV patrol model
 - Addition of two marked SUV patrol vehicles (approx. \$55,000 each) and one unmarked vehicle (approx. \$26,000) in FY 2016-17
 - One marked SUV patrol vehicle and one unmarked vehicle in both fiscal years 2017-18 and 2018-19
- This current fiscal year we added a records clerk and dispatcher
- Started a pilot program for a selective enforcement detail to provide more visibility and bring more traffic law compliance throughout the city

City Manager Wrap Up _____ Erik Tungate

- Three-year balanced budget
- COPS grant ending in FY 16-17
- Maintaining \$3.4 million general fund balance despite limitations on gains in revenue (.3% for FY 16-17) and increasing costs in some areas
- For FY 16-17 and FY 18-19 we are making additional retiree healthcare contributions of \$450,000 and \$300,000 respectively (adds on to our \$2.5 million that's already there from two previous years)
- City Manager has either started or carried out all of City Council's strategic plan priorities
- Ordinance Fines are up (we saw an increase of 15.7% from FY 2013-14 to FY 2014-15) – and are forecasting an additional 13% increase by FY 2018-19 due in part to the investments being made in Public Safety and Code Enforcement
- Refunding Bonds
 - First year of lower debt payments on 2006 road bonds

Economic Development

- Due to our Economic Development function we are seeing a steady increase in new businesses in the City – from 29 total in 2014, to 70 in 2015, and we have already had 37 this year
- Corridor Improvement authority
- Tax capture to begin summer tax bill of FY 16-17

Solid Waste

- No increase to residents in solid waste fees (normally 2% increase)
- (will have to dip in to Solid Waste fund balance \$508,646 in FY 2016-17; breaks even thereafter)

Water and Sewer rates:

- City Manager recommending the following: 7%, 6%, and 4.5% combined rate increase for Fiscal Years 2016-17, 2017-18, and 2018-19 respectively

Streets

- \$1.88 million in road pavement resurfacing projects including reconstruction of Granzon St beginning early FY 17-18

Court Repairs

- \$500,000 from Municipal Building Fund in FY 2016-17 in necessary repairs/renovations in court room 1, roof repairs, and HVAC repairs

Capital Improvements:

- Community Center Roof Repairs (\$150,000 in FY 2016-17-all GF)
- Backup Generator for the Community Center (\$60,000 in FY 2016-17-all GF)
- Pavilion Painting and Repairs (\$50,000 in FY 2016-17-all GF)

Motor Pool (GF only):

- Public Safety:
 - Addition of two marked SUV patrol vehicles (approx. \$55,000 each) and one unmarked vehicle (approx. \$26,000) in FY 2016-17
 - One marked SUV patrol vehicle and one unmarked vehicle in both fiscal years 2017-18 and 2018-19
- Technical & Planning:
 - Addition of two new code vehicles (approx. \$18,000 per vehicle) in FY 2016-17
 - Addition of one new code vehicle in FY 2017-18 and one new animal control vehicle (approx. \$25,000) in FY 2018-19

Motor Pool (Act 51 and Water and Sewer Fund):

- One new 3-yard dump truck (approx. \$70,000) in FY 2017-18
- Three new pickup trucks per year (approx. \$40,000 each)

Personnel

- One Public Safety Officer per year (adds approx. \$125,000-all GF)
- Building Maintenance Repairer (adds approx. \$76,000-95% GF)
- HR Generalist (approx. \$70,000-all GF)
- Assistant City Engineer (adds approx. \$80,000-only 5% GF)

- Drug Free Communities Support Grant program for the Tri-Community Coalition (Berkley, HW, and OP) – total of \$15,000 (\$5,000 per year)
- Oak Park Youth Assistance - total of \$15,000 (\$5,000 per year)
- Matching funds for 9 Mile streetscape improvement project - No GF funds to be used

Other Considerations:

- Update of the Strategic Plan – Approx. \$4,000 (one-time FY 2016-17)
- Inter-local agreement with Ferndale, Royal Oak, and Madison Heights to allow for sharing of health clinic (one-time fee of up to \$7,500).
 - Madison Heights saved \$30,000 in healthcare costs in first year of operation
 - Phase II could include buildout of old public safety admin space and adding other public partners, i.e., Southfield, Huntington Woods, Berkley, etc. (could cost approx. \$100,000)
- City hall to be open to the public every other Friday 8-4pm (matching payroll Fridays)
 - No additional cost to the city as it is already accounted for

CALL TO THE AUDIENCE:

There were no members of the audience wishing to speak.

ADJOURNMENT:

The Special Meeting adjourned at 6:45 p.m.

T. Edwin Norris, City Clerk

Marian McClellan, Mayor