



**CITY OF OAK PARK, MICHIGAN  
REGULAR COUNCIL MEETING OF THE  
36<sup>th</sup> OAK PARK CITY COUNCIL  
September 6, 2016  
7:00 PM**

**MINUTES**

The meeting was called to order at 7:00 PM by Mayor McClellan in the Council Chambers of City Hall located at 14000 Oak Park Boulevard, Oak Park, MI 48237. (248) 691-7544.

**PRESENT:** Mayor McClellan, Mayor Pro Tem Burns, Council Member Rich,  
Council Member Radner

**ABSENT:** Council Member Speech

**OTHERS**

**PRESENT:** City Manager Tungate, City Clerk Norris, City Attorney Duff

**APPROVAL OF AGENDA:**

**CM-09-306-16 (AGENDA ITEM #4) ADOPTION OF THE AGENDA WITH AN  
ADDITION – APPROVED**

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to approve the agenda with the following addition:

- Item #10B, Special Event License request for the Annual Vernon Street Block Party

Voice Vote:            Yes:        McClellan, Burns, Rich, Radner  
                              No:        None  
                              Absent:    Speech

**MOTION DECLARED ADOPTED**

**CONSENT AGENDA:**

**CM-09-307-16 (AGENDA ITEM #5A-G) CONSENT AGENDA - APPROVED**

Motion by Radner, seconded by Rich, CARRIED UNANIMOUSLY, to approve the Consent Agenda consisting of the following items:

- A. Regular Council Meeting Minutes of August 18, 2016 **CM-09-308-16**
- B. Zoning Board of Appeals Meeting Minutes of April 26, 2016 **CM-09-309-16**
- C. Planning Commission Meeting Minutes of May 9, 2016 **CM-09-310-16**
- D. Corridor Improvement Authority Board Meeting Minutes of June 16, 2016 **CM-09-311-16**
- E. Request by The Bettye Harris Larynx Cancer Awareness Center to be recognized as a nonprofit organization for the purpose of obtaining a charitable gaming license **CM-09-312-16**

- F. Payment Application No. 1 in the amount of \$189,008.98 to Pro-Line Paving Corp. for the Scotia Resurfacing Project, M-642 **CM-09-313-16**
- G. Payment Application No. 1 in the amount of \$124,331.87 to Troelsen Excavating Company for the 2016 Sewer Lateral & Catch Basin Repair Project, M-648 **CM-09-314-16**
- H. Beautification Advisory Commission Resolution and nominee recommendations for year 2016 Beautification Awards **CM-09-315-16**
- G. Licenses - New and Renewals as submitted for September 6, 2016 **CM-09-316-16**

**MERCHANT’S LICENSES – September 6, 2016  
 (Subject to All Departmental Approvals)**

<u>NEW MERCHANT</u>	<u>ADDRESS</u>	<u>FEE</u>	<u>BUSINESS TYPE</u>
FED EX	21200 GREENFIELD	\$150	EXPRESS MAIL SERVICE
DTOWN GRILLZ	21700 GREENFIELD #348	\$150	BARBERSHOP
 <u>RENEWALS</u>			
COMPLETE PARKING LOT MAINT.	20600 COOLIDGE	\$225	TRUCK REPAIR
HUNTINGTON CLEANERS	8775 CAPITAL	\$225	DRY CLEANERS
UPI REAL ESTATE	12900 CAPITAL	\$225	REAL ESTATE SALES

Voice Vote:            Yes:        McClellan, Burns, Rich, Radner  
                               No:        None  
                               Absent:    Speech

**MOTION DECLARED ADOPTED**

**RECOGNITION OF VISITING ELECTED OFFICIALS:** None

**SPECIAL RECOGNITION/PRESENTATIONS:**

**(AGENDA ITEM #7A) City Manager Employee Recognition.** City Manager Tungate presented an Employee Recognition Award to Charli Osborne from the Oak Park Library.

**PUBLIC HEARINGS:** None

**COMMUNICATIONS:** None

**SPECIAL LICENSES:**

**CM-09-317-16            (AGENDA ITEM #10A) SPECIAL EVENT REQUEST – SENECA STREET BLOCK PARTY – APPROVED**

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to approve the following Special Event license subject to all departmental approvals:

<b>Name</b>	<b>Event</b>	<b>Fees</b>
Thomas Zerafa	Seneca Street Block Party, 24320 Seneca September 11, 2016	Waived

Voice Vote:            Yes:        McClellan, Burns, Radne, Rich  
                             No:        None  
                             Absent:    Speech

**MOTION DECLARED ADOPTED**

**CM-09-318-16            (AGENDA ITEM #10B) SPECIAL EVENT REQUEST – VERNON STREET BLOCK PARTY – APPROVED**

Motion by Radner, seconded by Rich, CARRIED UNANIMOUSLY, to approve the following Special Event license subject to all departmental approvals:

<b>Name</b>	<b>Event</b>	<b>Fees</b>
Shawna Gobel	Vernon Street Block Party September 18, 2016	Waived

Voice Vote:            Yes:        McClellan, Burns, Radner, Rich  
                             No:        None  
                             Absent:    Speech

**MOTION DECLARED ADOPTED**

**ACCOUNTING REPORTS:**

**CM-09-319-16            (AGENDA ITEM #11A) APPROVAL FOR PAYMENT OF INVOICES AS SUBMITTED BY GARAN, LUCOW, MILLER, P.C. FOR LEGAL SERVICES IN THE TOTAL AMOUNT OF \$14,332.30 - APPROVED**

Motion by Burns, seconded by Radner, CARRIED UNANIMOUSLY, to approve payment of invoices #462586, #462902 and #462903 as submitted by Garan, Lucow, Miller, P.C. for legal services in the total amount of \$14,332.30.

Roll Call Vote:        Yes:        McClellan, Burns, Radner, Rich  
                             No:        None  
                             Absent:    Speech

**MOTION DECLARED ADOPTED**

**BIDS:**

**CM-09-320-16            (AGENDA ITEM #12A) BID AWARD FOR THE 2016 MISCELLANEOUS CONCRETE PROJECT, M-644 TO ROTONDO CONSTRUCTION INC. OF FARMINGTON HILLS, MI FOR THE AMOUNT OF \$276,453.00 AND TO AUTHORIZE \$26,453.00 FROM THE WATER & SEWER FUND TO BE USED TO FUND A PORTION OF THE PROJECT - APPROVED**

Motion by Burns, seconded by Radner, CARRIED UNANIMOUSLY, to award the bid for the 2016 Miscellaneous Concrete Project, M-644 to Rotondo Construction Inc. of Farmington Hills, MI for the amount of \$276,453.00 and to authorize \$26,453.00 from the Water & Sewer Fund to be used to fund a portion of the project

Roll Call Vote:           Yes:           McClellan, Burns, Radner, Rich  
                              No:           None  
                              Absent:       Speech

**MOTION DECLARED ADOPTED**

Assistant City Manager Yee reported that at the July 18, 2016 regular meeting of the Oak Park City Council, the request to bid the 2016 Miscellaneous Concrete Project, M-644 was approved (CM-07-261-16). The project was advertised and 39 contractors viewed the documents. On August 22, 2016, 6 bids were received and opened. The low bidder, Rotondo Construction, Inc. of Farmington Hills, MI, submitted a bid of \$276,453.00. References were checked and all had positive responses.

Mr. Yee indicated this project will replace sections of damaged pavement from water & sewer breaks, along with other patches throughout the City. This is a joint project and will also replace sidewalk sections in the City of Pleasant Ridge as part of their sidewalk replacement program, along with other reimbursable sidewalk based on complaints from our sidewalk evaluations. He stated further that there is a budget of \$250,000 for this project and any overage will be reimbursed from sidewalk invoices through the Oak Park or Pleasant Ridge sidewalk programs. It is requested that \$26,453 be used from the Water & Sewer Fund Balance to fund this project until the reimbursement takes place.

**ORDINANCES:** None

**CITY ATTORNEY:** None

**CITY MANAGER:**

**Department of Public Works**

**CM-09-321-16           (AGENDA ITEM #15A) REQUEST TO APPROVE THE PUBLIC WORKS DEPARTMENT TO PARTICIPATE IN THE MIDEAL BID FOR THE PURCHASE OF TWO MARKED POLICE VEHICLES - APPROVED**

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to approve the Public Works Department to participate in the MIDEAL bid for the purchase of two marked police vehicles for the total purchase price of \$81,267.00.

Roll Call Vote:           Yes:           McClellan, Burns, Radner, Rich  
                              No:           None  
                              Absent:       Speech

**MOTION DECLARED ADOPTED**

Assistant City Manager Yee reviewed the proposal to purchase two marked police vehicles using the MIDEAL pre-bid contract. Funding for the purchase has been allocated in the Motor Pool Capital Outlay account.

## Finance

### (AGENDA ITEM #15B) Year End 60 Day Financial Report

Finance Director Johnson presented a report highlighting revenue and expenditure activity for the fiscal year ended June 30, 2016. He indicated as required by section 2.32 of the City Code, all departments are required to submit their preliminary financial results to the City Manager within 60 days after year end and the City Manager is to prepare a summary report for the mayor and city council. The following is a summary of the highlights for all funds of the City.

#### GENERAL FUND

Total revenues for the fiscal year totaled approximately \$20.75 million which was \$8,356 better than the amended budget and an increase from prior fiscal years total of \$20.22 million. Expenditures for the fiscal year totaled \$20.51 million which is approximately \$248,000 less than budgeted and approximately \$815,000 more than prior year. Overall most departmental expenditure budgets came in under budget. The following are some of the significant items worth noting for the General Fund:

- City continued to address the unfunded retiree healthcare liability (OPEB) by making an extra contribution (over and above pay-as-you-go) to the OPEB Fund of \$900,000.
- City continued to address the unfunded pension liability by making an extra contribution (over and above the required actuarial determined amount) of more than \$200,000.
- In anticipation of future capital needs, a contribution to the capital improvement fund was made totaling \$150,000.

Overall the General Fund net revenues over expenditures of \$247,697 will increase fund balance from \$3,430,752 at June 30, 2015 to an estimated \$3,678,449 at June 30, 2016. The projected fund balance at June 30, 2016 represents approximately 17.9% of annual expenditures and remains within targeted levels.

#### SPECIAL REVENUE FUND

Overall all special revenue accounts are ended the year on track with the final amended budgets and the following are some of the significant items worth noting:

Major and Local Street Funds – A special allocation by the State for roads resulted in a favorable revenue variance of approximately \$325,000. Both funds have favorable expenditure variances primarily due to construction projects that began during the year but were not complete at year-end and will require a budget amendment in the 16/17 fiscal year.

Solid Waste Fund – This fund is financed by a dedicated property tax levy and quarterly fees charged to our customer and is used to pay monthly trash and related charges. The fund ended the year similar to prior year with a minor increase in fund balance.

COPS Grant Fund – The grant ended at June 30, 2016 with overall revenue and expenditures totaling approximately \$398,000. The costs related to the officers that were funded by this grant will be paid from by the General Fund beginning July 1, 2016.

#### DEBT SERVICE FUNDS

The City levies dedicated property tax levies to fund most debt and these funds are used to track all revenues and related debt payments on the bonds. Overall collections and debt service payments were in line with the final amended budget. The City during the past fiscal year did refinance the 2006 road

bonds which will result in more than \$1 million savings over the remaining life of the bonds and will also result in an annual decrease in the number of mills that need to be levied annually.

#### CAPITAL PROJECT FUNDS

These funds are used to account costs related to certain capital projects throughout the City. As stated under the General Fund the City did set aside \$150,000 in the capital improvement fund for future projects. Overall expenditure were consistent with the final amended budget with the Road Bond Construction Fund and the Municipal Complex Fund both spending the majority of the remaining bond funds that were on hand.

#### ENTERPRISE FUND

The Water and Sewer Fund is a full accrual fund with cash flow being one of the most important measures of the funds health. During the year ended June 30, 2016 the fund generated sufficient cash flow to cover operating, maintenance, debt and capital costs and was within budgeted amounts.

#### INTERNAL SERVICE FUNDS

These funds are used to account for certain costs such as insurance, workers compensation and motor pool which are subsequently allocated/charged to all funds of the City.

Risk Management - Overall the City experienced a significant increase in workers compensation and general liability insurance costs from approximately \$270,000 in prior year to \$461,000 in the current year. The costs increase in incorporated citywide in all funds of the City.

Retiree Healthcare Court - The City is self-insured and experienced a significant increase in insurance costs related to court retirees from approximately \$250,000 in prior year to \$466,000 in the current year. The costs increase in incorporated in the Court Fund which is partially subsidized by the General Fund.

#### PROPRIETARY FUNDS

Retiree Healthcare (OPEB) – As noted in the General Fund, the City made an extra \$900,000 contribution to this for the year ended June 30, 2016. The estimated ending fund balance to offset the substantial OPEB liability totals \$2,580,000 at June 30, 2016.

General and Public Safety Retirement Systems – The City made the required actuarial contributions plus an extra contribution of more than \$200,000 for the year ended June 30, 2016. Overall both systems saw a net decrease in fund reserves due to unfavorable investment returns which total approximately \$2 million for the General and \$1.96 million for the Public Safety Funds.

#### **(AGENDA ITEM #15C) 4<sup>th</sup> Quarter Fiscal 2015/2016 Investment Report**

Finance Director Carl Johnson reported that the State of Michigan Public Act 213 of 2007 requires the City's investment officer to provide a written report quarterly to the governing body concerning the investment of all funds of the City that fall under Public Act 20 of 1943. Public Act 20 governs how non-pension and non-OPEB funds can be invested. The attached report details the cash and investments (citywide for all funds) held by the City at June 30, 2016.

The fourth quarter investment report shows total citywide cash and investments of \$18,678,498 including cash in the operating account of \$3,269,844, short-term investments in the Oakland County Investment Pool of \$6,062,559 and long-term investments totaling \$9,346,095. The City has maximized investment return on short-term cash by utilizing the Oakland County Investment Pool and minimizing

the amount maintained in the checking and daily depository accounts. Interest income for the months of April through June 2016 totaled \$72,399 bringing the citywide total for the 2016 fiscal year to \$214,146.

**CALL TO THE AUDIENCE:**

Joyce Bannon, 10611 Troy, commented on the articles in the most recent Branch newsletter.

**CALL TO THE COUNCIL:**

**Mayor Pro Tem Burns** thanked everyone for coming out and thanked the staff and participants of the artist reception that took place in the City Hall lobby.

**Council Member Radner** thanked everyone for coming out and wished everyone a good night.

**Council Member Rich** wished everyone a good night.

**Mayor McClellan** congratulated the Arts and Cultural Commission for putting on the artist reception and recapped city events and activities that took place this summer.

**ADJOURNMENT:**

There being no further business to come before the City Council, Mayor McClellan adjourned the meeting at 7:58 P.M.

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T. Edwin Norris, City Clerk

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Marian McClellan, Mayor