

City of Huntington Woods
Long Range Budget & Planning Committee
Monday, April 15, 2019
Minutes

The meeting was called to order at 7:30 p.m. at the Library.

Present: Kim Bateman, Shelley Gach-Droz, Lisa Momblanco, Chuck Batcheller, Fred Fechheimer, Joseph Falik, Nick Gruber, John Nantais, Joel Kellman, Mike Egnotovich, Jeff Samoray, Tony Lehmann, Amy Sullivan, Tim Rowland, Mary Gustafson.

Absent: Sharon Abramsky, Frank Mioni, Molly Trip, Seth Kritzman, Melanie Wiegand, Zac Andreoni, Kris Vigliotti, Adam Kaplan, Susan Klein, and Amit Bhagwan.

Public: David Sloan

1. Roll Call
2. Approval of agenda: Moved by C. Batcheller and seconded by J. Nantais to approve the agenda. Approved unanimously.
3. Approval of March 18, 2019 minutes: Kim Bateman provided corrections to the minutes. Moved by S. Gach-Droz and seconded J. Nantais to approve the minutes as corrected. Approved unanimously.
4. Update from subcommittees:
 - a. Recreation and Library: A. Sullivan passed out a proposed Latchkey rate chart that had been reviewed and recommended by the Parks and Recreation Advisory Board. She advised that the Recreation staff had concerns with the subcommittee's recommendation to add a \$10 administrative fee and they felt that an across the board rate increase would be easier to explain and would raise the same revenue as the subcommittee's proposal. Staff prepared a comparison of the proposed rates with those from the Berkley and Royal Oak School District programs to illustrate that the HW rates were commensurate with them. Staff recommends that the rates be further adjusted in the 2020 program year to eliminate the 4:30 p.m. pick up time rate tier and charge the rate for the 6 p.m. pick up to all Latchkey users.

The Committee asked what the anticipated increase in revenue would be with the proposed rates and T. Rowland estimated an additional \$15,000. F. Fechheimer said he was still concerned that the revenue did not cover the program expenses. C. Batcheller asked M. Gustafson

to explain to Latchkey users why the rates were increasing. S. Gach-Droz asked how the Committee can make sure that rates in the future are reviewed annually so they keep pace with other communities.

A. Sullivan asked the Committee for a recommendation on the proposed rates at tonight's meeting so it can be placed on the April 23rd City Commission agenda for consideration and be ready to implement in the 2019-20 Latchkey program year. There was discussion about making sure the City Commission was aware that these rates were being recommended for the upcoming year only and that the final Committee report will make further recommendation on Latchkey rates for future years.

Moved by T. Lehmann and seconded by J. Nantais that the proposed rates recommended by the Parks and Recreation Advisory Board be recommended to the City Commission for the 2019-20 Latchkey program year. Approved unanimously.

F. Fechheimer suggested that the Committee recommend that the General Fund transfer to the Recreation Fund be capped at \$750,000 going forward which is a reduction of \$200,000. He believes that the Parks and Recreation Advisory Board is best suited to decide what cuts should be made to accomplish that goal. A. Sullivan said that she believed it was the City Commission's intent to task the Budget Committee with that recommendation.

There was discussion about some of the other suggestions from the subcommittee to raise revenue. One was to increase the fees to use the City pool. C. Batcheller felt that the City rates should be comparable to nearby private club swimming pools since our pool was not open to the public and so operates more like a private pool facility. L. Momblanco said the subcommittee had done some preliminary rate comparison and would provide that information to the City.

S. Gach-Droz suggested that making the Library, and possibly the Recreation Center, available to outside groups, could raise revenue. But that would be partly offset by the increased cost for set up which is done by a City employee. The subcommittee said they would meet and look at their suggestions and try to estimate the proposed increase in revenue and continue the discussion at a future meeting.

- b. Roads and Sewers: J. Samoray asked if the Committee had a preference on what method to use to pay for the pipe bursting work and the Committee advised that they were comfortable asking the City

Commission to choose between a millage supported bond or a flat fee increase added to water bills since the financial impact to residents was so similar. J. Samoray said there was no update on the road construction proposal as the subcommittee was waiting for information on how a PA 345 vote would impact the General Fund budget and potentially free up money to pay for road costs.

F. Fechheimer said he was concerned with the proposal to delay the start of heavy maintenance on roads till the 4th year of the program because that would possibly be 2024 if a 345 vote is not scheduled till spring of 2020. The subcommittee agreed that there needs to be further discussion on what the impact will be on the City's budget if the heavy maintenance schedule is started sooner than proposed. J. Falik said he believed that the engineer's proposal for the \$5.25 bond was going to be used for heavy maintenance as well road reconstruction. Staff advised that a 20-year bond could only be used for work that had a 20-year life span and they would get clarification from the engineer on whether the estimate for work included heavy maintenance or not.

F. Fechheimer asked the subcommittee if there was a time frame for the pipe bursting work because he was concerned that if there was another catastrophic rain event before the repairs were complete, that there might be more basement back-ups. The Committee discussed the fact that the proposed repairs do not address capacity in any way, they are repairs only, and so a major rain event may cause back-ups before or after the repairs are made.

- c. Revenue sources: K. Bateman said the subcommittee was waiting for a revised estimate from MERS on what contributions the City can expect to make in the next 10-years before they can make a recommendation to the Committee on what the maximum millage should be for a PA 345 millage request. A. Sullivan explained that MERS had provided an initial projection but it only expected the City to be 60% funded after 10 years so staff asked for a revised projection that would have funding at 75% in 10 years and 100% in 20 years.

K. Bateman said the subcommittee had also looked at a library millage which would require the creation of a library board and a Headlee override as possible revenue sources. C. Batcheller asked if the subcommittee had considered the City selling the park on 11 Mile with the skateboard facility and inline skating rink to a potential developer for new homes. K. Bateman said the subcommittee had considered it but since it was a one-time influx of revenue and not a long term

revenue source, they did not pursue it. But that the Committee as a whole could recommend it to the City Commission if they thought it should be considered. A. Sullivan said that staff had talked about the potential for a Headlee override because some debt is coming off in the next couple of years which would create an opportunity to ask for an override but not create a tax increase.

- d. City Hall, Public Safety & DPW: C. Batcheller passed out a draft report from the subcommittee. They believe the most feasible option for savings will be to explore sharing fire equipment with nearby departments. The subcommittee is recommending that the City create a new committee after the work of the Budget Committee is completed to continue this discussion.

T. Lehmann and F. Fechheimer met with the DPW Director and concur that the DPW is efficiently operated given the number of full-time staff. They believe that sharing equipment with other cities is a potential opportunity to save money. They also felt that relocating the DPW site and combining sites with another city might result in savings. With respect to road funding, the subcommittee believes the only improvement that can be made is for the City to advocate for a change in the Act 51 funding formula that doesn't penalize small cities like HW.

5. Discussion on Communication subcommittee: Nick suggested that the Committee consider composing a new subcommittee that can start the messaging campaign to inform residents of the City's long-term financial outlook, why the Committee was formed and what areas are being reviewed. He asked members that are interested in participating in the communications effort to contact either himself or A. Sullivan.
6. Public Participation: None
7. Other Committee member business: A. Sullivan advised that the City Commission was holding a budget study session for the 2019-20 City Budget on Tuesday, April 23rd at 5:30 p.m. if Committee members were interested in attending.
8. Adjournment: Meeting adjourned at 9 p.m. and the next meeting is Monday, May 20, 2019 at 7:30 p.m.