

APPROVED 05/03/2021
SPECIAL BUDGET WORKSHOP
MINUTES

APRIL 26, 2021

THE SPECIAL BUDGET WORKSHOP OF THE RICHMOND CITY COUNCIL WAS CALLED TO ORDER AT 5:30 P.M., ON MONDAY, APRIL 26, 2021, BY MAYOR RIX.

ROLL CALL

Present: Allen, Greene, Misteravich, Reindel, Rix, Schultz, Warn

Absent: None

Others: City Manager Moore, City Treasurer Hatfield, City Clerk Stagl

Visitors: City Assessor Cargo, DPS Director Goetzinger, Fire Chief Spens, Tom Garant, Dennis LaFore

AUDIENCE PARTICIPATION

None received.

ADOPTION OF AGENDA

Motion by **Warn**, seconded by **Greene**, to adopt the Agenda as presented.

All yeas

Motion carried

ITEMS FOR CONSIDERATION

1. Review of the Manager's Proposed FY2021-2022 City Budget

Under the American Recover Act of 2021, the City of Richmond should receive a substantial amount of funds. Generally, the funds can be used for three major areas: 1. Replacement for revenues lost due to COVID; 2. To cover increased expenses due to COVID and 3. For infrastructure investment into water, sewer or broadband.

Review of the proposed FY2021-22 Budget began with:

101-001 – General Fund Revenues – The proposed ending fund balance for June 30, 2022 is \$2,011,592, which is 42.8% of expenditures. Administration is recommending that as part of the resolution to adopt the budget, Council “assigns” \$450,000 of the

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fund balance toward the purchase of new dispatch consoles in FY2022-2023. Setting aside the \$450,000 assigned in the fund balance, we then have an ending fund balance on June 30, 2022 of \$1,561,592 which is 34.4% of expenditures.

The FY2021-22 budget calls for a general operating ad valorem property tax levy of 15.8717 mills. The City's millage rate is lower due to a Headlee Millage Rollback of 0.2156. One mill for general operating purposes is equal to \$167,261 after TIFA capture (Last year one mill was equal to \$159.047)

COUNCIL WAS IN GENERAL AGREEMENT WITH THE REVENUES AS PRESENTED.

206-ALL – Fire Department – Fire Chief Spens informed Council that a large percentage of the Fire Department turn-out gear was outdated. Funds were being budgeted to replace all of the gear over the next three years. Additionally, the current air packs used by the Department will no longer be made. The budget includes funds to replace all the air packs over the next 1-2 years.

Chief Spens also proposed the idea of compensating the Fire Department Officers, as an incentive to encourage members to become officers. The following amount was proposed: \$16,000, to be spread as follows: Chief - \$4,000; 2 Asst. Chiefs - \$3,000 each; Captain - \$2,000; 2 Lieutenants - \$1,500 each and Sergeant - \$1,000.

Councilors realize all of the additional work done by the Fire Department Officers. Would like the Chief to work with the City Manager and bring this back to a future budget meeting.

Extensive discussion on the expiring turn-out gear and why the gear has not been replaced on an ongoing basis.

It was recommended that the funds to be used for the replacement of turn-out gear be identified in a separate line-item and these funds would only be able to be used for purchasing turn-out gear.

Fire Department members indicated that even with the purchase of turn out gear in the current budget and the proposed budget, they will still have a number of outdated turn-out gear that will need to be replaced or the department may be fined.

Council requested that the Fire Department supply Administration with a full inventory of all turn-out gear and when they would be expiring. This information will be provided to Council at a future Budget Workshop.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

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101-101 City Council – COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-191 Elections - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-210 Legal Services – COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-215 City Clerk - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-209 Assessor - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-247 Board of Review - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-253 City Treasurer/Finance Director – Funds were included in the budget to hire the City's auditing consultants to update the capital asset records. This would combine records maintained in excel into BS&A as well as a review of the records to make sure all records are correct.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-528 Refuse Collection and Disposal – City Manager Moore informed Council that the Refuse Collection contract would be expiring at the end of June, 2021.

Discussed whether Council wants to put the contract out for bids or accept the proposal we received from Waste Management for the next three years – the cost for each single-family residential unit would be as follows: \$219.32 (Currently); \$221.00 (FY2021/22); \$231.80 (FY2022/23) and \$243.08 (FY2023-24).

If we put the contract out for bids the City may receive lower costs, but changing contractors would be a lot more trouble for the residents. If we switch companies all of the yellow topped recycling bins would need to be replaced. In addition to the recycling bins, many residents have purchased or leased curb carts from Waste Management. The people who have purchased carts should be able to continue to use them, but the people who lease them will lose their carts and have to make arrangements with the new company.

Council requested that Administration contact other communities to get a comparison of costs. This issue will then need to be brought back to a future budget meeting.

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COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-965 General Fund Transfers Out - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-441 Public Service Director – The Fee Schedule for the Department of Public Works reflects that the readiness to serve charge for both the water and sewer funds will be increased to \$20.00 per quarter.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

101-442 Department of Public Works – COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

202-ALL Major Street Fund - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

203-ALL Local Street Fund – Funds were budgeted for the following Capital Improvements: 1. Seymour Street Pulverizing & Overlay and 2. Burke Drive Reconstruction.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

209-ALL Cemetery Fund – The Fee Schedule was changed to reflect the Ownership/Title Transfer fee from a Resident to a non-Resident.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

237-ALL Mausoleum Fund - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

402-ALL Wastewater Treatment Plan Equipment Replacement Fund – COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

404-ALL DPW Vehicle and Equipment Replacement Fund – COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

405-ALL Street Improvement Fund – Discussed the poor condition of the approaches on Gratiot (by Ted's) into the shopping area. Council questioned who was responsible to maintain this access.

It was determined that repairs to the driveway would be the responsibility of the property owner to fix. The Manager will check with the City Attorney to determine if there is any way the City can force the property owner to make these repairs.

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It was also mentioned that the SE corner of 31 Mile/Gratiot flooded when it rained – Council would like to see some type of fix to this area.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

409-ALL Sanitary Sewer Contributing Capital Fund - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

499-ALL Water Contributing Capital Fund - COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

590-ALL Sanitary Sewer Fund – A \$4.00 increase to the ready-to-serve charge has been included in the proposed budget.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

591-ALL Water Fund – A \$4.00 increase to the ready-to-serve charge has been included in the proposed budget.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

598-ALL SWIP Fund – COUNCIL WAS IN GENERAL AGREEMENT WITH THE BUDGET AS PRESENTED.

DPW Capital Improvement Sheets – Council discussed the proposed barn extension which is being proposed for FY2022/23. Currently, not all the DPW equipment can be stored inside. A barn extension would include additional bays for equipment, lunchroom, offices, and material storage. By adding 2 additional bays, the barn in the NE corner of the yard could be utilized to free up space in the G.O.D. Barn and the Fire Hall.

COUNCIL WAS IN GENERAL AGREEMENT WITH THE CAPITAL IMPROVEMENT SHEETS AS PRESENTED.

Council was in agreement that the following items should be brought back to Council at a future Budget Workshop:

- Compensation for Fire Department Officers
- Turn-out Gear Inventory
- Waste Collection Comparables
- Access Drive (near Ted's Restaurant)

CITY MANAGER COMMENTS

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The Fire Chief will need to determine which officers will be able to represent the Fire Department at a future budget workshop.

COUNCIL COMMENTS

None.

ADJOURNMENT

Motion by **Misteravich**, seconded by **Greene**, to adjourn the Special Budget Workshop at 7:27 p.m.

All yeas

Motion carried

Respectfully submitted:
Karen M. Stagl
City Clerk