

**A BUDGET WORK SESSION OF THE FOURTIETH COUNCIL OF THE CITY OF BERKLEY, MICHIGAN
WAS CALLED TO ORDER AT 6:00 PM ON TUESDAY, APRIL 16, 2024
BY MAYOR BRIDGET DEAN**

PRESENT: Councilmember Steve Baker
Councilmember Clarence Black
Mayor Pro Tem Ross Gavin
Councilmember Dennis Hennen
Councilmember Greg Patterson
Councilmember Jessica Vilani
Mayor Bridget Dean

ALSO

PRESENT: Nate Geinzer, Interim City Manager
Matt Baumgarten, City Manager
Carl Johnson, Finance Director
Victoria Mitchell, City Clerk
Stan Lisica, Chief Innovation Officer
Matthew Koehn, Public Safety Director
Matt Church, Library Director
Kristen Kapelanski, Community Development Director
Caitlin Flora, Director of Communications
Alex Brown, Facilities Manager
Shawn Young, Department of Public Works Director
Bryan Bemis, Treasurer
Ric Chalmers, Department of Public Works Deputy Director

APPROVAL OF AGENDA

Councilmember Baker moved to approve the Agenda.
Seconded by Councilmember Vilani.
Ayes: Black, Gavin, Hennen, Patterson, Vilani, Baker and Dean
Nays: None
Motion Approved.

PUBLIC COMMENT:

No comment.

PRESENTATION: Matter of receiving a presentation summarizing the proposed FY 2024/25 budget.

Finance Director Carl Johnson outlined the Budget Process:

- Follows State of Michigan Budget Act requirements while taking a new, simplified approach.
- The Budget is balanced, provides an estimate and utilizes available funds
- The new budget document highlights the important areas; line items are the support for the actual proposed budget and will only be referenced as needed.

He said the budget is an estimate as of today. As facts and estimates arise, the budget may be amended. He stated he will highlight the actual budget document and referenced a 38-page document he created to focus on important departmental totals; he said it is important to keep the focus at this level.

General Fund:

- He stated there are a lot of round numbers. This is because a budget is an estimate; he referenced last year's estimates.
- Revenues are less each year because of loss of one-time grants, net increase of 3 percent and 1.6 percent.
- New facilities department created, lessening amounts from other departments.

Major, Local & Infrastructure Fund:

- Utilizes all available resources for annual road repaving and unfunded mandates for lead line replacement.
- All three funds are used in conjunction with each other.

Solid Waste Fund:

- Full season for curbside leaf pickup will resume – new budget department created to fund the program.
- New fees implemented.

Sidewalk Fund

- Sidewalk replacements across the city have been completed. The current budget pauses that program.
- No additional programs are scheduled for the next two fiscal years. We will collect all of the funds and resume when/if needed.

Water & Sewer Fund

- New budget basis looks at cash flow, not funding depreciation.
- Adjustments made to 2024 budget eliminate negative cash and repay dollars borrowed from the General Fund.
- Continued 10 percent rate increase similar to the current fiscal year.
- Primary priority continues to be the unfunded mandate for lead line replacements.
- The reality is we must set the rates to bring in enough money to cover those costs.
- The biggest draw is the lead line replacements. We have tried for grants, but have not had success.

City Manager Matt Baumgarten explained that the budget has been readily available and he discussed the budget questions that have been submitted thus far by members of Council. He stated there were about 19 pages of questions and answers; he said the questions were answered by Mr. Johnson, Mr. Baumgarten, and Mr. Geinzer.

Mr. Baumgarten said the City definitely faces challenges. He said several larger projects were put off; hard decisions have been made to defer or cancel projects. He said infrastructure has been a challenge for all Michigan communities.

BUDGET WORK SESSION: Matter of discussing the proposed fiscal year 2024/25 City of Berkley Budget:

In total, the following corrections were made to the budget:

- 101-172-704-00: Increased City Manager salary range by \$50,000.

PUBLIC COMMENT:

Joel Ulferts, Berkley, asked that the referenced document containing questions and answers could be made available to the public. He asked questions regarding fund balances and expenditures.

Mr. Baumgarten answered that the document would be cleaned up and made available to residents.

Bruce Pohl, Berkley, asked questions regarding the Solid Waste budget, which he said has a high impact on residents.

Joel Ulferts, asked whether any city vehicles are used for personal use and about the associated costs.

ADJOURN

Councilmember Patterson moved to adjourn the work session at 10:13 p.m.

Seconded by Councilmember Vilani

Ayes: Hennen, Patterson, Vilani, Baker, Black, and Gavin

Nays: None

Motion Approved.

Bridget Dean, Mayor

Attest:

Victoria Mitchell, City Clerk