

<i>FINANCE AND BUDGET COMMITTEE MEETING</i> <i>WEDNESDAY, AUGUST 10, 2022</i>
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A Finance and Budget Committee meeting was held on Wednesday, August 10, 2022, in the City Hall Council Chambers.

Committee Members Present: Scott Bahr, Chair
Kathleen McIntyre, Vice Chair

City Officials and Others Present: Jim Jolly, President
Scott Morgan, Councilmember
Maureen Miller Brosnan, Mayor
Leo Neville, Assistant City Attorney
Michael Slater, Finance Director
Lynda Scheel, City Treasurer
Dave Varga, Chief of Staff

Additional Attendees:

1. CR 106-97 Subject matter of City vehicles. (CR-35-97, 100-96, 17-96, 18-96, 19-96, 20-96, and 914-95, 100-96)

The meeting convened at 7:03PM and was led by Committee Chair, Scott Bahr.

In response to Council's 2021 request for the City's policy regarding city vehicles assigned to department heads, some elected officials, and other select employees, the mayor reported that her Administration has recently completed a review of this practice and found that there are no written policies regarding assignment of vehicles (including whether a vehicle or stipend is provided), use of the vehicles, or refueling at city fuel pumps. She shared that while the Administration is still working on a policy, they have decided to transition to vehicle stipends (currently set at \$350) instead of assigning city-owned vehicles for many department heads, though some employees who have extensive on-call and travel responsibilities will continue to receive a city-owned vehicle. These decisions will be made based on efficiency, effectiveness, and economic metrics. Transitions from assigned vehicles to stipends will happen as currently assigned vehicles reach the end of their useful life or an employee transition occurs. An in-depth discussion followed that included the following insights:

Eligibility

- Presently, the mayor determines who gets a city vehicle; a small number of employees currently get stipends, which have been set at \$350 for some time.
- Without an established policy, the rationale for who gets a city vehicle has not been consistent. The Administration is working on development of a clear policy.
- The make and model of an assigned vehicle is determined by what is deemed appropriate for the position.

Usage / Costs

- City vehicles are intended for use within the city for city-related business, though reasonable personal use is allowed (e.g., stopping to buy milk on the way home from work).
- The City pays the insurance for assigned vehicles.
- Drivers of assigned vehicles are permitted to fuel their vehicles at city gas tanks.

- Fuel usage can be tracked by key fob and employee number; however, this usage is not currently audited.
- Employees with city-owned vehicles are asked to report their personal mileage to the city each year, which is subject to taxation on their personal tax returns.
- The City is not responsible for verifying the accuracy of this self-reporting.
- Vehicle stipends are treated as taxable income to the employee; the only employee tax liability for city-assigned vehicles is self-reported personal mileage.

Elected Officials

- The mayor, treasurer, and clerk are each assigned a city-owned assigned vehicle. If an assigned vehicle is replaced by a stipend, it would require approval by the Local Officers Compensation Commission.

Budget Impact

- The Administration reported that the costs of assigned vehicles are difficult to track since the purchase, fuel, repairs, and maintenance costs are not broken out by specific vehicle.
- Vehicles are currently purchased by various departments, including DPW and LPD.

Council acknowledged that while the mayor has the authority to establish a vehicle policy, Council has responsibility for approving the budget, and the cost of these city-provided vehicles is a relevant concern relative to that budget. Councilman Bahr requested that, prior to the presentation of the next fiscal year's budget, the Administration provide a detailed vehicle and stipend policy.

The Committee recommends:

Councilwoman McIntyre asked that the subject item remain in committee.

Note: This item will remain in committee.

This item is to be placed on the **Regular Meeting Agenda of September 7, 2022**

2. 161-12 Subject of Advance Budget Reviews Fiscal Year 2022-2023 Pre-Budget Meeting

Following a brief budget recap by Finance Director Mike Slater, Council discussed the following considerations for the preparation of this year's budget:

- Paved bike path connecting Curtis Road east of Farmington to Rotary Park (Jolly/Bahr)
- Including an allocation to the Building Improvement Fund in the baseline budget rather than relying entirely on windfalls that come throughout the year to fund this (Bahr)

Council also inquired about:

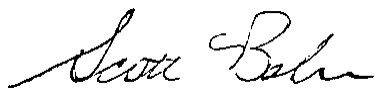
- A dedication plaque at the DPW building (Jolly)
- Status of funds from Wayne County for proposed new senior center at the Kirksey Recreation Center.

Note: This item will remain in Committee.

The meeting was adjourned at 8:10PM

This item is to be placed on the **Regular Meeting Agenda of September 7, 2022**

Respectfully submitted,



Scott Bahr, Chair

Kathleen McIntyre, Vice Chair