

FINANCE AND BUDGET COMMITTEE MEETING WEDNESDAY, SEPTEMBER 21, 2022

A Finance and Budget Committee meeting was held on Wednesday, September 21, 2022, in the City Hall Council Chambers.

Committee Members Present: Scott Bahr, Chair
Brandon McCullough, Member

City Officials and Others Present: Jim Jolly, Council President
Scott Morgan, Councilmember
Rob Donovic, Councilmember
Maureen Miller Brosnan, Mayor
Lynda Scheel, City Treasurer
Susan Nash, City Clerk
Paul Bernier, City Attorney
Michael Slater, Finance Director
Linda Gosselin, City Assessor
Dave Varga, Chief of Staff
Robert Jennison, Fire Chief

Additional Attendees: Connie Kumpula, Chief Accountant

1. CR 263-22 RESOLVED, that having considered a communication from the Director of Finance, dated August 9, 2022, approved for submission by the Mayor, the Council does hereby determine to conduct a Finance and Budget Committee Meeting on Wednesday, September 21, 2022, at 7:00 p.m., in the 5th floor Gallery, and a Public Hearing on Monday, October 3, 2022, at 7:00 p.m., at the Livonia City Hall, 33000 Civic Center Drive, Livonia, Michigan, with respect to the annual budget for the fiscal year ending on November 30, 2023; and the City Clerk shall give adequate public notice of said public hearing in accordance with provisions of law and City Charter.

The meeting convened at 7:15PM and was led by Committee Chair, Scott Bahr.

- Linda Gosselin reviewed the 2022 assessment data
- Mike Slater walked councilmembers through the proposed budget and took questions. Highlights include:
 - Budget is balanced and maintains a fund balance of 26% of total expenditures.
 - Proposed tax preserves lowest city tax rate in Wayne County, which is 44% below the average of all Wayne County cities.
 - Residential, commercial, and industrial property values increased 5%
 - General Fund operating revenues projected to increase 3.1%
 - State shared revenues projected to increase 9.8%
 - Court fines projected to decrease by 25% (\$1M), largely due to changes in state laws
 - Total budgeted positions decreased by 4 FTEs
 - The City's required contribution for retiree health insurance will decrease by \$360K (10%)
 - Contributions to the defined benefits plans are expected to increase
 - ~83% of total expenditures is for wages/benefits, which is up 3 percentage points from FY22
 - A total of \$5.2M is appropriated for capital expenditures
 - Included in roads funding is money to complete the bike path from Curtis Ave. to Rotary Park
 - Included in the Water and Sewer budget is \$1.6M for the design of a water storage system
- The Administration requested that Council consider adding a 1% tax administration fee to property tax bills, which is allowed by the State of Michigan and done by all but two Wayne County communities. This would equate to \$2.1M for Livonia.
 - Currently, only Livonia Public Schools and Clarenceville Public Schools pay this fee.
 - The question was raised as to why Wayne County RESA, Schoolcraft College, and other entities for which we collect taxes do not also pay this fee.
 - After some discussion, no councilmember offered a resolution to add an administration fee to residential tax bills.

- Councilman Donovic offered a resolution to refer the subject of long-term capital needs of our aging water and sewer infrastructure to the Capital Outlay & Infrastructure Committee.
- In response to a previous request by Councilman Bahr, the Administration provided Council with a plan for city assigned vehicles denoting which job functions would be eventually converted to stipends.

The Committee Recommends:

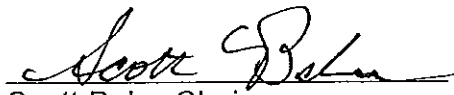
- To refer the subject matter of long-term capital needs of our aging water and sewer infrastructure to the Capital Outlay & Infrastructure Committee.
- To receive and place on file the City of Livonia Preliminary Budget Documents for Fiscal Year 2022-2023, received on September 15, 2022.
- To receive and place on file the Supplement to Preliminary Budget 2022-2023 Personnel Worksheets, received on September 15, 2022.

Note: This item will remain in Committee.

The meeting was adjourned at 9:25PM

This item is to be placed on the **Regular Meeting Agenda of October 17, 2022**

Respectfully submitted,


Scott Bahr, Chair