



Finance and Budget Committee
Tuesday, May 14, 2024 @ 5:00 PM
Lorraine H. Morton Civic Center

COMMITTEE MEMBER PRESENT:

David Livingston, Resident, Clare Kelly, Councilmember, Jonathan Nieuwsma, Councilmember, Bobby Burns, Councilmember, Leslie McMillan, Committee Member, Melissa Wynne, Councilmember, and Shari Reiches, Committee Member

COMMITTEE MEMBER ABSENT:

Devon Reid, Councilmember

STAFF PRESENT:

Hitesh Desai, Chief Financial Officer/Treasurer, Michael Van Dorpe, Financial Analyst, Clayton Black, Budget Manager, Alexandra Ruggie, Corporation Counsel, and Lara Biggs, City Engineer

1. CALL TO ORDER/DECLARATION OF A QUORUM

The meeting was called to order at 5:00 PM.

2. PUBLIC COMMENT

John Kennedy commented on the FY 2023 Budget.

Dave Ellis commented on the budget planning process.

Betty Esther commented on Property Taxes and GO Bonds.

Mary Rosinski commented on the budget planning process.

Trisha Connelly commented on the budget deficit.

3. APPROVAL OF MINUTES

M1. Approval of the April 9, 2024 Finance & Budget Committee meeting minutes.

Minutes Approved.

Moved by Councilmember Nieuwsma
Seconded by Councilmember Wynne

Ayes: Livingston, Kelly, Nieuwsma, McMillan, Wynne, and Reiches

Motion Passed 6-0 on a recorded vote

4. CONSIDERATION

- FB1. Ordinance 43-O-24 Authorizing the City Manager to Amend the Total Fiscal Year 2023 Budget, resulting in a net reduction of \$52,234,143 to a new total of \$344,972,907

Clayton Black, Budget Manager, presented and facilitated discussion on this item.

Committee members asked questions about amending the budget, the budget amendment increases in the General Fund and other funds, and the budget amendment decreases in funds related to capital projects.

Councilmember Nieuwsma moved the approval of Ordinance 43-O-24, authorizing the City Manager to amend the total Fiscal Year 2023 Budget, resulting in a net reduction of \$52,234,143 to a new total of \$344,972,907.

Moved by Councilmember Nieuwsma
Seconded by Councilmember Wynne

Ayes: Livingston, Nieuwsma, Burns, Wynne, and Reiches
Nays: Kelly and McMillan

Motion Passed 5-2 on a recorded vote

- FB2. June Finance & Budget Committee Meeting

Staff shared that there is a scheduling conflict with the planned Finance & Budget Committee Meeting on June 11, 2024. The Committee discussed alternative dates for the June meeting.

Councilmember Nieuwsma moved that the June Finance & Budget Committee Meeting be rescheduled to Monday, June 17, 2024

Moved by Councilmember Nieuwsma
Seconded by Committee Member Livingston

Ayes: Livingston, Kelly, Nieuwsma, Burns, McMillan, Wynne, and Reiches

Motion Passed 7-0 on a recorded vote

5. DISCUSSION

- D1. Discussion Regarding the Framework for a Policy for Unbudgeted Capital Expenses

Lara Biggs, City Engineer, facilitated the discussion on this item.

Committee members discussed focusing the policy on eligible expenses in the General Fund

and funds with capital expenses. Committee members discussed how the City can adjust a fund's budget if Council approves unplanned capital expenses covered by this policy.

D2. Discussion Regarding Personal Property Replacement Tax (PPRT) as a Source of Pension Funding

Jack Mortel, President of the Fire Pension Board, discussed the Public Safety Pension Funding Policy and the use of PPRT. Mr. Mortel stated that the City met 100% of its Actuarially Determined Contribution towards Public Safety Pensions in 2023.

Alex Ruggie, Corporation Counsel, talked about the maximum allowable PPRT contribution towards Public Safety Pensions. Ms. Ruggie stated that, per the City Policy, PPRT is one of multiple revenue sources that can be used by the City to pay its annual Actuarially Determined Contribution towards Public Safety Pensions.

Councilmember Kelly made a motion to direct staff to create an escrow account for 100% of PPRT revenue to be set aside and used exclusively for Public Safety Pensions.

Moved by Councilmember Kelly
Seconded by Committee Member McMillan

Ayes: Kelly and McMillan
Nays: Livingston, Nieuwsma, Wynne, and Reiches

Motion Failed 2-4 on a recorded vote

Motion Failed.

D3. Discussion Regarding Benchmark Metrics from Peer Communities

Michael Van Dorpe, Financial Analyst, facilitated discussion on this item.

Committee members discussed some of the benchmarking data that was gathered by staff and made recommendations for future benchmarking research to be completed by staff.

6. ADJOURNMENT

The meeting was adjourned at 7:07 PM.