

COMMITTEE OF THE WHOLE
WEDNESDAY, APRIL 20, 2022 - 03:00 PM
COUNCIL CHAMBERS
COUNCIL PRESIDENT WARDINE T. ALEXANDER, COMMITTEE CHAIR

AGENDA

- I CALL TO ORDER**
- II APPROVAL OF MINUTES**
- III UPDATE: COMMUNITY FRAMEWORK PLANS**
MR. TIM GAMBREL, CHIEF PLANNER, PEP
- IV UPDATE: DISPARITY STUDY**
MR. COREATA HOUSER, DEPUTY DIRECTOR, IEO
- V OLD/NEW BUSINESS**
- VI ADJOURNMENT**

THE NEXT REGULARLY SCHEDULED COMMITTEE OF THE WHOLE MEETING WILL BE HELD WEDNESDAY MAY 18, 2022 AT 03:30 PM IN THE COUNCIL CHAMBERS. AGENDA ITEMS MUST BE SUBMITTED BY 12 NOON ON MONDAY MAY16, 2022

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COMMITTEE REPORT



SPECIAL CALLED COMMITTEE OF THE WHOLE
MONDAY, MARCH 28, 2022 | 4:30 PM
COUNCIL CHAMBERS

MINUTES

COUNCIL PRESIDENT WARDINE T. ALEXANDER, COMMITTEE CHAIR

Councilor(s) Present: Alexander, Abbott, Clarke, Moore, O'Quinn, Smitherman, Tate, Williams, Woods

I. CALL TO ORDER

The Meeting was called to order by the Committee Chair, Council President Alexander.

II. APPROVAL OF MINUTES

Action Taken:

Councilor Williams Motioned to Approve the Minutes.

Council President Pro Tem Smitherman Seconded the Motion.

The February 16, 2022 Committee of the Whole Minutes were Approved as Recorded.

III. UPDATE: RESULTS--FY2021 FINANCIAL AUDIT REPORT/LODGING TAX & BHM FUND: MR. CHAZ MITCHEL, CHIEF OF OPERATIONS, COB

Mayor Woodfin and Finance Team provided results from the FY 2021 Financial Audit Report, Lodging Tax and Birmingham Fund.

The audit information is for the budget year of July 1, 2020 that ended June 30, 2021.

The City experienced a significant operating surplus of approximately \$53+million.

The sales taxes were not what was projected.

Chaz Mitchell

Lodging Tax Update

- Through the end of February, the lodging tax was close to \$1.2 million, with the \$3 per-room/per-night surcharge and is trending above budget just for that one-line item through February 2022.

Birmingham Fund Update

- The Birmingham Fund is from the sale of the Industrial Water Works proceeds.
- The funds are in a Regions Bank account that is used to make money off the bonds, the stock market, and bond market.
- It is performance based and does well based on the conditions of the market.
- The report that was forwarded to the Council is the quarterly report through the end of December.
- The Birmingham Fund currently is \$108 million.

City of Birmingham Audit

Presenters: Kelvin Moore, Chaz Mitchell, Aaron Saxton

Kelvin Moore

- Fiscal year 2021 was a COVID year.
- Revenues came in above what was expected.
- Sales and occupational taxes, and SSUT increased; Sales taxes – 34%, Occupational taxes – 27% and SSUT – 16%.
- During the years 2019 and 2020 – sales tax increase by \$5 million.
- Occupational tax increased by \$4 million.
- The City's occupational tax makes up a substantial amount of revenue.

Expenses

- The cost of personnel makes up 72% of the expenditures.
- Vacant positions were funded at half a year (six months).

MINUTES

- Personnel cost decreased during FY 2021.
- Boards and Agencies equals 6% of the expenses the City receives.
- There be several cost increases during FY2023; fleet expense (vehicles, gas and diesel). An additional \$1.2 million has been allocated.

Aaron Saxton

- The 2021 budget was not a balanced budget.
- It was projected at the time that the original budget was passed, that \$20 million would come out of the Reserves.
- Because the tax collections were better than expected, the City did not have to draw any money from the Reserves.
- The City General Fund experienced an increase in fund balance of approximately \$53.4 million.
- The debt service reserve fund balance increased by \$17 million, resulting from \$40 million in collections of Ad valorem tax revenue while only incurring \$23 million in expenditures on Bonded debt services and fees.
- The expenditures go out in the form of debt service payment.
- The Birmingham Fund balance increased by \$16.4 million.
- Investment income in the amount of \$26.2 million exceeded project expenditures of \$9.9 million.

Projections for Surplus

- Employees
 - 5% cost of living adjustment for employees
 - Longevity Pay
 - Merit Increase
 - Insurance Pay
- Core values of neighborhood revitalization.
 - Grocery Stores
 - Street Paving (\$10 million)
 - Uniform Trash Bins
 - Rolling stock for the Department of Public Works and Department of Transportation
 - Word Games

Questions from Councilors:

Councilor Abbott:

Sinking Fund - Are we waiting for our credit rating for the City to improve before we consider going back to the bond market to borrow money OR do we have so much money to spend right now that if the we borrow any more we will not be able to spend it all?

When does the City get another review by the rating agencies; what time of year does that come?

Council President Alexander:

Is Jefferson Avenue on the list for paving?

What is the percentage of the current households that are part of the pilot?

Councilor Clarke:

Is the Debt Service Reserve Fund from Ad valorem taxes - can it only be used for debt service?

Does the City have the capacity to issue bonds to have a capital budget?

How are streets added on the resurfacing list or do we go out and rate all the streets in the City and prioritize them?

Is the \$10 million going to just add to the open resurfacing contract that we have right now?

On the rolling stock, do we have street sweepers?

Councilor Moore:

There's a surplus of \$13 million, where do neighborhood projects play in those surplus funds?

What year are we on with the street resurfacing?

Is it possible to add more streets?

MINUTES

Councilor O'Quinn:

What are we going to do for recruitment and retention for BPD?

On the uniform trash bins, is it for 100,000 trash bins and recycle bins or is it only trash bins?

Council President Pro Tem Smitherman:

In the budget for this year, we allocate \$300, 000 for recycling bins, what's going on with that?

Is there any way to re-classify the police to start them out at a higher salary?

How long does it take for the police to go through the salary steps?

Councilor Tate:

Where are the street sweepers?

Will the pay grade steps have to be included in the yearly budgets?

Councilor Williams:

What is the current market value of the Birmingham Fund? (\$108,114,254.00)

The \$10 million in street resurfacing, that is not to get a head start on this upcoming year's street resurfacing; can we expect to see an additional \$10 million in the upcoming year's fiscal budget?

Councilor Woods:

How many trucks will be equipped/available to pick up the trash bins?

What is the timetable for the roll out?

Was the additional funding request for The World Games forwarded to the City Council Agenda?

Action Taken:

Councilor O'Quinn Motioned to Approved the Funding Requests presented to the Committee.

Council President Pro Tem Smitherman Seconded the Motion.

The Funding Requests were Recommended to the City Council Agenda.

Nine Ayes - Zero Nays.

- IV. **UPDATE: PROPOSED RESOLUTION TO STRONGLY ENCOURAGE USE OF PREQUALIFICATION SPECIFICATIONS FOR COB PUBLIC WORKS PROJECTS FOR BIDDERS TO USE WORKERS AND APPRENTICES QUALIFIED THROUGH APPRENTICESHIP TRAINING PROGRAMS CERTIFIED BY US DEPARTMENT OF LABOR: MR. EARL HILLIARD JR., SR. DIRECTOR OF GOVERNMENTAL AFFAIRS, COB**

The Resolution would strongly encourage anyone who bid for projects and public projects in the city of Birmingham to use the Department of Labor Certified Apprenticeship Program and/or the Alabama Association of Apprenticeships. The Alabama Association of Apprenticeships are Department of Labor certified. There are under-skilled workers in the state of Alabama; 50% under what's needed. This is an effort to bring the skilled trade up to the part they need to be and to provide more opportunities to constituents in the city of Birmingham.

Action Taken:

Council President Pro Tem Smitherman Motioned to Approve the Item.

Councilor Williams Seconded the Item.

Item Recommended to the City Council Agenda.

- V. **OLD/NEW BUSINESS**

None

- VI. **ADJOURNMENT**

Councilor Williams Motioned to Adjourn.

Council President Pro Tem Smitherman Seconded the Motion.

The Meeting was Adjourned.