

**VILLAGE OF FRANKLIN
VILLAGE COUNCIL REGULAR MEETING
MONDAY, MAY 9, 2016, 7 PM
FRANKLIN COMMUNITY CHURCH
26425 WELLINGTON ROAD, FRANKLIN, MICHIGAN 48025**

I. CALL TO ORDER

The meeting was called to order by President Jim Kochensparger, at 7:01 PM at the Franklin Community Church, Franklin, Michigan.

II. ROLL CALL

Present: Fred Gallasch, Brian Gordon, Jim Kochensparger, Judy Moenck, Mike Seltzer
Absent: Pam Hansen, Tom Morrow
Also Present: Jim Creech, Village Administrator
Chief Dan Roberts, Police Department
Chief Tony Averbuch, Fire Department
Eileen Pulker, Village Clerk
John Staran, Village Attorney

III. ADOPTION OF AGENDA

Motion by Seltzer, seconded by Moenck, to adopt the Agenda, as presented.

Ayes: Gallasch, Gordon, Moenck, Seltzer, Kochensparger
Absent: Hansen, Morrow
Nays: None
Motion carried.

IV. MINUTES

A. Special Meeting of April 5, 2016, Charter Workshop

Kochensparger requested that more details of his speech about the Administrator position and the Clerk position be included in the minutes for the benefit of the public.

Motion by Seltzer , seconded by Gordon to approve the Special Meeting, Charter Workshop, minutes for April 5, 2016, as amended.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

B. Special Meeting of April 5, 2016, Budget Workshop

Gallasch corrected a typo on page 3, paragraph 6, 5th sentence. It should read, "...bonded for and contracted in FY2018-2019."

Motion by Moenck, seconded by Seltzer to approve the Special Meeting (Budget Workshop) Minutes for April 5, 2016, as amended.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer

Absent: Hansen, Morrow
Nays: None
Motion carried.

C. Regular Meeting of April 11, 2016

Motion by Seltzer, seconded by Gordon to approve the Regular Council Meeting Minutes for April 11, 2016, as presented.

Gallasch pointed out the incorrect statement concerning payment to the Broughton House contractor on page 10, last sentence, under **I. Consider Budget Amendments FY 2015-2016**. He had personally read the contractor's contract with the Village which states that payment could be 60 days late without a work stoppage. Kochensparger clarified that what was spoken at the meeting as reflected in the minutes was accurate. Gallasch felt it important the residents understood that it was not necessary for the Village to make an immediate payment to the contractor as it currently was not 60 days late.

Ayes: Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: Gallasch
Motion carried.

D. Special Meeting of April 14, 2016

Motion by Seltzer, seconded by Gordon to approve the Special Meeting Minutes for April 14, 2016, as presented.

Gallasch referenced his previous comments about the April 11, 2016 minutes, regarding the inaccurate information about the timing of payments to the contractor of the Broughton House project. As previously stated, according to the contract, payment could be more than 60 days late without a work stoppage. Payment for the most recent bill was not 60 days late.

Ayes: Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: Gallasch
Motion carried.

V. REPORTS OF VILLAGE OFFICERS AND AGENTS

Dan Roberts, Police Chief, referred to and provided an overview of his submitted monthly report emphasizing that it was a very quiet month with regards to crime issues. Roberts pointed out there was a new more up-to-date Mutual Aid Agreement for all Police Departments in Oakland County which replaces one which had been in effect for decades. The Village Attorney has reviewed it and it would probably come before the Council next month for review and signature. Another issue coming before the Council at June's meeting would be the Annual Officers' Awards ceremony. Last Saturday, unbeknownst to the Police Department in advance, there was an impromptu concert (Ninja Show) at the gazebo by Mike Posner, a 2006 Groves High School grad and now a famous Pop Star. The approximately 200-300 attendees were very orderly. The only issue for the Police was the parking, as there were three (3) baseball games going on at the same time. As in the past several years, our

Mounted Unit of two (2) Reserve Officers (Ronald Berris and Michael Sanders) and Officer James Hirschfeld would be going to Washington, D.C. to participate in National Police Week ceremony. The Officers, who pay for their expenses, including transportation, will represent the Village of Franklin. He added that a case, which was not included in the Council's report, involved a Credit Card fraud which occurred in one of the businesses in town. The suspect was identified and arrested. The FBI became involved as this individual could be linked to numerous other Federal crimes.

Referring to the Police Budget, Moenck inquired as to the focus of all the seminars, to which Roberts provided the subjects of several of them.

Tony Averbuch, Fire Chief, referred to his written report and expressed his appreciation to the Village for allowing the Department to use the road between the Broughton House and the gazebo for three (3) days for its annual apparatus maintenance and pump testing. Hose and ladder testing, another annual testing, will take place in July. On behalf of the Village, Kochensparger wanted to thank the Top 10 Responders and asked the Chief to comment on what it takes to become one of those. In addition, Averbuch commented that only two (2) members of the fire Dept. are paid employees: himself and Lt. Tim Adams. The rest are unpaid volunteers, with 25% of those volunteers living within the Village. He continued with an explanation of the Department's staffing and responsibilities.

Main Street Franklin, Courtney Miller, Executive Director, referred to her submitted report, dated May 9, 2016.

Lance Vainik, Treasurer, referred to his submitted monthly report and noted that the amounts on the Bills List are consistent with normal monthly spending. Vainik stated that the expenditures are generally consistent with the FY 2015-16 Budget. Vainik also reported that the bills list included two (2) large entries, payable to Brock and Associates for the Broughton House renovations. He added that a list provided of account balances is as of May 5, 2016 of those amounts held at Level One Bank. Vainik concluded stating that the Village has sufficient funds to meet its current and anticipated obligations.

VI. SUBMISSION OF CURRENT BILLS

Motion by Gordon, seconded by Seltzer, to approve the Bill's List, as submitted.

Moenck inquired and Creech clarified that "...Application 1 and 2" referred to "Progress Payments" to Brock and Associates for the renovations to the Broughton House.

TOTALS

General Administration	\$ 101,878.43
Building	\$ 5,248.93
Insurance	\$ 42,870.46
Legal	\$ 1,546.75
Police	\$ 17,703.11

Pressure Sewer	\$	-
General Debt Service	\$	-
Major Roads	\$	1,850.60
Local Road	\$	1,850.59
Rubbish	\$	17,755.30
Trust & Agency	\$	8,900.00
Tax Fund	\$	-
Waste Water	\$	76.48

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

VII. PUBLIC REQUESTS AND COMMENTS

Barry Silverstein, Cheviot Hills, inquired if the Village had a “closed container” law for trash receptacles, and if not, maybe the Village should consider one. Staran responded by saying that although the subject had been discussed, at present, there was no Ordinance.

VIII. SPECIAL REPORTS

A. President’s Report

None

B. Council Report

Gordon had a question and an observation regarding the condition of the Village roads, which he believed to be deteriorating very rapidly. He was aware that some work was scheduled for this summer and the following summer with a major overhaul planned for the next summer. He thought Council might want to consider advancing some of the work into stages rather than doing the whole Village at once. He is of the opinion that the next two (2) years might become very uncomfortable if the present scheduled plan is adhered to.

Kochensparger explained that it was hoped that the present Road bond would expire before the Village added another Road Millage. Creech commented about conversations he had had with the Village Engineer with regards to what was needed to extend the “life” of the roads. Kochensparger noted that several years ago he also had spoken the engineer about the timing/length of the current bond with reference to the condition of the roads. Creech said he would look into different possible monetary solutions.

Randy McElroy, Woodside, commented on interest rates, noting that they might be going up.

Bill Lamott, Scenic Hwy., reminded Council that in previous years, the Village had several outstanding sewer bonds at the same time. He questioned why the Village couldn't do the same with Road bonds.

C. Administrator Report

Oakland County Water Resource Commission is planning to be in Franklin next month to do a presentation on the rates it is proposing for next fiscal year, starting July 1. There was a very productive meeting about the Broughton House with Bill Lamott; the architect, Greg Jones; the contractor, Ken Brock, and himself. Some issues were resolved: one being with communication and another involving a certain expectation of the visibility of the stonework, both internally and externally, which SHPO, the grantor, requires. Creech couldn't be more appreciative with how Brock has worked with them in making the improvements to the house. He believed that the project would be well within budget even with the expansion into the main office area.

IX. PUBLIC HEARING – FY2016-2017 VILLAGE BUDGET

Randy McElroy, Woodside, a former Council Trustee, spoke of the Council fiscal conservancy during his tenure, noting that the Council had not been averse to asking for millage increase for projects that added value to the Village, increasing property values, such as major road construction and the building of the Police Station. McElroy opined that after careful review of the proposed budget and the budget alternative supplied by Trustee Morrow, he believed that the Village did not currently need to use the approved millage increase and to instead return some of the monies collected from the current millage. McElroy cited the 25% reserve level which he believed was an adequate amount for a community of our size, noting that if the Village would require funding for a project, they could request that funding from the Villagers at that time.

Creech pointed out some omissions in Morrow's analysis of the proposed budget and stated that with modifications his recommended Fund Balance of 33% vs. 25%. He suggested that for good money management Council establish several funds: Budget Stabilization Fund (Rainy Day Fund), Capital Improvement Fund, and a Sinking Fund, all of which would set aside funds for future liabilities, and thereby possibly reducing the need for bonding.

Moenck inquired about the millage change for Pressure Sewer and Road & Drain in the subsequent year. Creech referred to the Schedule of Indebtedness page which had been included in Council's packet. Moenck proposed a scenario of rolling back the General Fund millage from 2.6539 to 2.00. Creech assured Kochensparger that if there is a decrease in the millage rate there would not be a loss of services.

There was a discussion about the assessed property values in the past vs. the present.

Gallasch opined that he was more supportive of reducing the millage rate to 1.75. He also wanted to have a discussion on certain line items: increase to NEXT and inclusion of software upgrades. He and Moenck concur that a proposal for software upgrades should be submitted and after a consideration Council could amend the budget and allocate money.

Creech stressed that a Budget is an “appropriation”, not a “mandate” to spend. Gordon clarified and affirmed that if the software upgrades were included in the budget, Council would still receive a detailed proposal and have the opportunity to vote on its allocation or not. Based on past experience, Moenck and Gallasch emphasized the importance of having Council review, discuss, and approve a proposal before funds from the General Fund are allocated.

Referencing Fire Chief Averbuch’s comments, Seltzer emphasized how fortunate Franklin was to have so many people in the community volunteering their time and effort, including the Council members. He challenged the notion that the Village overspends. It is his belief that Council operates the Village’s finances in a tight fisted manner and, as a group, scrutinizes every line item expense. The Council has been good stewards of the finances. He is tired of all the “knit-picking” the miscellaneous items, as if the community were “pauper-like”. The recent Budget meetings have not been well-attended; indicating to him there was a disinterest of the residents about how the Village assets were being handled. Therefore, he accepted the Village Administrator’s proposal on budget and was not in favor of returning the small amount of surplus to the taxpayers, especially since there was a possibility the Village might have to return to the community for more financial support for the roads.

Council members discussed the pros and cons of returning the excess monies the Village has collected by way of taxes. Kochensparger reminded everyone of its agreement that the Village would maintain a minimum of 25% of the taxes in reserve for emergencies. Creech mentioned that in the near future the Village would be bonding and having a substantial Fund Balance helps in getting good bond ratings and interest rates.

Moenck clarified and emphasized for the public that the Village would not be giving back money, but rather it would not be collecting as much tax. Going forward the Village may need to come to the residents for funding for certain projects, such as, roads and sidewalks.

If the millage rate were to be lowered no services would be affected, only the surplus in reserve.

Gordon stated that he was in favor of consistency and not in the yearly wide swings of the tax millage. Both Moenck and Gordon opined that they favored having a little cushion in the Fund Balance, so that if needed to finance projects, such as roads or sewers, before a bond had expired, there would be a reserve to do so without going back to the residents for more money. Seltzer noted that residents wouldn’t notice a reduction of the millage but would be angry when the rate increased. He added that having a surplus was acceptable to him.

Creech suggested different scenarios for debt repayments. He clarified that final budget approval would be at the June Meeting and the millage needed to be approved at this meeting because it had to be to the County by the end of this month for the printing of the tax bills in July.

Moenck suggested that Main Street Franklin’s allocation of \$18,000 be revisited. She has been a staunch supporter of it in the past but she struggles now with the return on its money.

Referring to an earlier statement by Creech that monies in the budget didn't necessarily need to be spent, she would like to see a tighter correlation between MSF's community funds and what the Village is getting for its \$18,000. Answering Gordon's question concerning the timeframe for the Council to commit to spending that money, Creech explained that the budget is an appropriation. The MSF allocation is spent with the bills and with the approval of the bills. If Council wanted to have approval of it on a quarterly basis, it could be taken out of the bills and be approved separately and ask for documentation. Kochensparger reminded Council that currently it is under contract but it is Council's responsibility to request, receive, and review MSF reports. MSF contract begins in July and would be renewed/discussed separately from the budget.

Judging by the small number of "concerned" residents in the audience, even though a notice about this budget meeting had been posted, Seltzer questioned why Council should be motivated to change its direction. Council has been a good steward of the Village's money. Gordon appreciated and supported these and previous comments of Seltzer. Gallasch reminded Council that the demographics of the Village were changing. More younger families were choosing to live in Franklin who, typically, are not as well funded as some. Income and taxes do matter to that group. Gordon reiterated that the quality of life is important to those who move into Franklin and those expectations should be maintained.

Randy McElroy, Woodside, commented on MSF's longevity and Franklin's expenditures.

Public Hearing was closed at 8:25PM.

X. NEW BUSINESS

A. Consider Proposed FY2016-2017 Village Budget.

Kochensparger spearheaded a discussion on the NEXT funding, detailing Franklin's practice of alternating years of assigning CDBG monies to NEXT and/or another organization, Birmingham Youth Assistance. Gallasch was in favor of only allocating this year's CDBG to NEXT, but not the additional \$2,200.

Bill Lamott, Scenic Dr., former Board Member of BASCC (NEXT), expressed his support of the organization, relating numerous positive changes, in terms of services and programs for those people who need medical help, etc. and opportunities for volunteers. He was aware that many surrounding communities gave financial support to NEXT. He was also aware that many Franklin residents benefit from the organization, as he, personally, has picked up medical supplies and delivered them to Franklin residents. NEXT memberships of local residents have increased over the years so he was in favor of supporting it.

Seltzer stated that at a previous Council meeting, NEXT's Executive Director quantified that 16 Franklin residents were taking advantage of NEXT's opportunities. He noted that this was an example of one of those "knit-picking" items in the budget.

#2016-33 Motion by Seltzer, seconded by Gordon to include the \$2,200 to NEXT in the FY2016-2017 Budget.

Ayes: Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: Gallasch
Motion carried.

Gallasch stated that it was his desire to keep the software upgrades in the Fund Balance. Once a legitimate proposal had been vetted, Council could decide to allocate funds to it.

There was a discussion about reducing the 2016-2017 budget amounts in the General Fund Expenditures for Administration, Village Clerk, and Treasury/General Office accounts to those in the FY2015-2016.

#2016-34 Motion by Gallasch, seconded by Moenck to reduce the items relating to the Computer Software and Supplies, in the General Fund Expenditures for Administration, Village Clerk, and Treasury/General Office from the proposed FY2016-2017 budget to that of the FY2015-2016 Budget.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

B. Consider Proposed FY2016-2017 Property Tax Millage Rate.

Gallasch clarified that the millage rates for Pressure Sewer, Road & Drain, Police Building Debt, Library Fund could not be changed as those monies do not impact Village operations and are needed for regular payments.

#2016-35 Motion by Gallasch, seconded by Moenck to reduce the General Fund/Police to 2.0 Millage Rate for the FY2016-2017.

Seltzer inquired as how the reduction of the millage from the proposed 2.6539 to 2.0 would impact the budget. He was specifically interested in Treasurer Vainik's input. The Treasurer recommended that Council stay the course with the 2.6539 rate for the General Operating Fund as suggested by Creech. By not doing anything drastic in the next two (2) year, the obligation on the large projects would be gone and then Council could see where the budget stood.

Creech stated that by reducing the rate from 2.6539 to 2.0, there would be an approximate \$277,220 decrease in the budget. That would change the total millage levy to 5.9809. It is difficult to calculate the percentage of the final Fund Balance because of several restricted and unassigned funds but he estimated it would be close to 30%.

Creech summarized the pros and cons of both 2.639 and 2.0 millage rates.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow

Nays: None
Motion carried.

#2016-36 Motion by Gordon, seconded by Gallasch to approve the Fire Protection Fund Millage of 1.1200 for the FY2016-2017.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

Gordon inquired and Creech confirmed that if there were an increase in the sewer millage to .450, the projected millage for FY2016-2017 would combine with .450 in the following year which would pay off the existing sewer debt service bond.

#2016-37 Motion by Gordon, seconded by Moenck to approve the Pressure Sewer Fund Millage of 0.450 for the FY2016-2017.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

#2016-38 Motion by Moenck, seconded by Seltzer to approve the Road & Drain Debt Millage of 1.2600 for the FY2016-2017.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

#2016-39 Motion by Moenck, seconded by Seltzer to approve the Police Building Debt Millage of .1400 for the FY2016-2017.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

#2016-40 Motion by Seltzer, seconded by Moenck to approve the Rubbish Fund Millage of .6387 for the FY2016-2017.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None

Motion carried.

#2016-41 Motion by Gallasch, seconded by Seltzer to approve the Library Fund Millage of .6222 for the FY2016-2017.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

C. Consider Village President's Appointment to Planning Commission.

Kochensparger would like to nominate David Goldberg to the appointed position on the Planning Commission, as he has previously been a member of the Commission.

#2016-42 Motion by Gallasch, seconded by Seltzer to approve the President's appointment of David Goldberg to the position on the Planning Commission.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

D. Consider Charter Amendment Ballot Language.

#2016-43 Motion by Gordon, seconded by Seltzer to approve the Charter Amendment Language as proposed in John Staran's memo dated, May 5, 2016.

Staran presented the amended proposed ballot language of the 10 amendments which Council had discussed at a previous meeting.

Gallasch commented on the proposed charter language about Chapter III, Section 7 which addressed what constituted a quorum. He also expressed his apprehension of changing the Clerk's position from an elected position to the proposed appointed position.

Staran stated that Council could decide how to vote on the amendments, either singularly or as a group. He would suggest that if a Council member or less than a consensus of Council had an issue with an amendment, that particular amendment could be voted on separately.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer
Absent: Hansen, Morrow
Nays: None
Motion carried.

E. Resolution Tabling Formal Action on Proposed Ballot Language for 30 days and Directing the Clerk to Publish the Proposed Amendments in the Newspaper.

#2016-44 Motion by Gordon, seconded by Seltzer to approve the resolution (as follows) to table formal action on the proposed ballot language for 30 days and direct the Clerk to publish the proposed amendments in the newspaper.

RESOLUTION

WHEREAS, the Franklin Village Council is considering proposed amendments to various sections of the Village Charter; and

WHEREAS, pursuant to Section 17 of the Village Home Rule Act, MCL 78.17, it is necessary for the proposed Charter amendments to be published and remain on the table for thirty (30) days before the Village Council takes action thereon;

THEREFORE, the Franklin Village Council resolves that further deliberations on the proposed Charter amendment shall be tabled until the Village Council's June 13, 2016 Regular Meeting at which time the Council may take action on the proposed Charter amendments. It is further resolved that the Village Clerk is directed to publish a notice in the newspaper at least thirty (30) days prior to that Council meeting setting forth the proposed Charter amendments and notifying villagers that the Charter amendments may be acted upon by the Village Council at that meeting, and, if approved by Council, the proposed amendments will be submitted to the electorate at the November 8, 2016 general election.

Staran explained that at the June meeting Council would consider the ballot language. Moenck inquired about the format of the actual ballot. Staran stated that he will get back to Council with the specific format. Staran further explained that at that same meeting Council would formally vote to put these questions on the November ballot and added that a 2/3 vote of Council would be needed to do so.

Gordon suggested that a summary of the proposed charter amendments be presented to the residents, possibly on camera. Staran recalled a past situation with numerous proposals when a publication with frequently asked questions was sent out to the residents explaining, in a neutral factual way, what was going on and why these things were being presented as they were. This method could be repeated with the present proposed amendments.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer

Absent: Hansen, Morrow

Nays: None

Motion carried.

F. Consider Closing Village Hall from December 26, 2016 until January 2, 2017.

Motion by Moenck seconded by Seltzer to close Village Hall from December 26, 2016 until January 2, 2017.

Moenck modified her motion to include, seconded by Seltzer, "...with the exception of the Police Department which would schedule the part time clerks as necessary."

Moenck stated she had spoken with the Police Chief who felt that the Police Department office might need to be open at times during that week and flexibility would be needed for scheduling.

#2016-45 Motion by Gordon, seconded by Seltzer to close Village Hall from December 26, 2016 until January 2, 2017, with the exception of the Police Department which would schedule the part time clerks as necessary.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer

Absent: Hansen, Morrow

Nays: None

Motion carried

XI. ADJOURNMENT

Motion by Seltzer, seconded by Gordon to adjourn the meeting.

Ayes: Gallasch, Gordon, Kochensparger, Moenck, Seltzer

Absent: Hansen, Morrow

Nays: None

Motion carried.

There being no further business, the meeting was adjourned at 9:10 P.M.

Respectfully submitted,

Gail Beke, Recording Secretary

Eileen H. Pulker, Clerk

James Kochensparger, President