

VILLAGE OF FRANKLIN
2004-2005 BUDGET PUBLIC HEARING
Minutes of Meeting
May 24, 2004

I. CALL TO ORDER:

The 2004-2005 Budget Public Hearing for the Village of Franklin was called to order by President Mark Jahnke at the Franklin Village Office Building, 32325 Franklin Road, Franklin, Michigan, at 7:06 p.m.

II. ROLL CALL:

Present: Fred Gallasch, Alan Harnisch, Mark Jahnke, Bill Lamott, Randy McElroy.

Absent: Brian Coyer, Ralph Sosin (both excused).

Also Present: Village Administrator Jon Stoppels, Village Clerk Eileen Pulker, Village Treasurer Dominick Schiano, Police Chief Ed Glomb.

III. ADOPTION OF AGENDA:

Motion: Motion by Gallasch, seconded by McElroy, to approve the agenda. Motion carried unanimously.

IV. ADMINISTRATOR'S BUDGET PRESENTATION:

Using the overhead projector, Stoppels reviewed the following documents:

1. Five Year Comparison of Taxable Property Values.
2. Five Year Comparison of General Fund Revenues from Taxes.
3. Budget Highlights (Assessed Valuation, Taxable Valuation, Millage, Taxes, Total Revenues [\$4,032,493] and Total Expenditures [\$3,956,256]).
4. Budget Summary By Account (which showed a net surplus of \$625,358 in the General Fund).
5. 2004 Tax Rate Request.
6. Five Year Comparison -- Total Millage Rate.
7. Effects of Headlee on the Millage Rate.
8. Five Year History -- State of Michigan Revenue Sharing (\$200,000 in 2004 vs. \$253,657 in 2000).
9. Where the Tax Dollar Goes (Franklin's tax dollar).
10. What Franklin Residents Pay in Total Millage (22¢ of every tax dollar goes to Village government and 12¢ of every tax dollar to daily operations).
11. Local Area Millage Rates (for comparison purposes).
12. Local Area Tax Bill (on a \$500,000 home, for comparison purposes). Gallasch commented that for the public, taxable value and assessed value should be distinguished.
13. Budget Preparation Support Team. Stoppels thanked those listed who were involved in the preparation of the proposed budget.

Gallasch reiterated the need to relay the budget message to the public forum.

V. FISCAL YEAR 2004-2005 BUDGET PUBLIC HEARING:

A. Open Public Hearing: Jahnke opened the Public Hearing at 7:25 p.m.

B. Public Comments on Budget:

Mary Hepler, 30575 Rosemond, asked for a copy of the proposed budget. Discussion followed concerning communication of the budget to the public. Schiano suggested posting budget highlights on the Village web page. Stoppels will circulate a press release to the local papers.

Amy Parker, Thirteen Mile Road, asked if it might better serve Village residents to have a building inspector paid by the Village. Stoppels replied that currently the Building Department is self-sufficient and that the inspector is paid by income from building permit and inspection fees. He stated that in the future, there may be insufficient building revenues to pay the salary and benefits of an inspector as a Village employee. Parker clarified her question by saying that she was looking for a way to lower permit fees for residents. Gallasch responded that the cost of building in Franklin is competitive with other neighboring communities. McElroy said Franklin is getting good value for its money and is "getting a tremendous bargain."

Jahnke asked if the Village has analyzed where the "break even" point is [in the cost of adding a building inspector to the Village payroll]. He suggested projecting a five-year plan for building within the Village. Stoppels indicated that Bill Dinnan, Village Building Official, made \$115,000 last year, which would equate to \$70,000-\$80,000 base pay for a Village employee who received benefits. Since he is not a Village employee, Dinnan receives no benefits. Stoppels emphasized that many inspectors work for multiple communities, but Dinnan does not, which makes him readily available in Franklin when needed. Stoppels suggested that Franklin might be able to put a cap on the inspector's monthly payments, and might be able to "tweak" permit fees.

Gallasch pointed out that Dinnan provides his own liability insurance and also supervises other trade specialists, such as electricians and plumbers.

Stoppels explained that Dinnan receives a percentage of permit fees and for administrative duties is paid \$40 per hour. McElroy further clarified that state law prohibits the Village from making a profit in the building department. Hepler suggested arriving at the building official's pay in a different manner, as in the instances where multiple jobs might be concurrent in time and close in distance.

Lamott added that Village liability for health care and retirement benefits are "big unknowns."

Harnisch thinks there will be a strong building rate for the next two to four years but after that time, he thinks building will decline. If it could be demonstrated that another option for paying a building official made sense, he would consider it.

C. Council Comments:

Jahnke asked Glomb about Police Revenues, which in the proposed budget are projected to increase from \$10,000 to \$25,000. Glomb will give some thought to the increase.

Jahnke received the following clarifications about items in the proposed budget:

1. General Fund Revenues, cellular franchise fees (Account 453), represents an estimate of fees received under possible lease agreements, should agreements with providers be reached.
2. The appropriation of prior year funds (Account 999) is for budgetary purposes and has already been done.
3. Group insurance increase in General Fund Expenditures: Village Clerk is due to an increase in employees covered. Computer Software and Supplies represents updates to the home server, and does not pertain to the website. Pulker indicated that the updates would benefit other Village departments as well.
4. Increase in retirement contributions (Account 305708) in the Police Department is due to past underfunding.
5. Broughton House improvements (Account 875000) \$5000 proposed budget is for unforeseen expenses. Stoppels said roof repairs were needed.
6. The fund balance in the major street fund and local street fund exists because of less maintenance following the major roadwork which was recently done, and daily control of the City Works contract. The Village administration hopes that the taxpayers won't have to go to debt millage when the next major roadwork is needed.

Jahnke then reviewed the contents of a memo which he had sent to Council prior to the meeting:

1. Review current status of the Village website and improvements to it which might be needed.
2. The Village should be planning for and devoting resources to vegetation management and tree planting, goals of the Master Plan.
3. Council should be looking into how to make the Village Center Enhancement Committee more effective.
4. How is Council going to manage the \$2 million plus fund balance in the Pressure Sewer Fund? Stoppels added that he, Pulker, and the Village accountants were already looking into this matter.
5. Jahnke would like Janz & Knight to explain to Council why it recommends that Franklin carry a 50%-75% fund balance when

what is normally recommended for municipalities is 5%-20%.
Gallasch commented that the fund balance might be critical since
Headlee is progressively curtailing the amount that can be taxed.

Jahnke finally reiterated that the Village currently has the funds to do so and should be looking at the Master Plan initiatives.

D. Public Hearing Closed:

Jahnke asked if any Councilman or Village Administrator had amendments to make to the proposed budget. There were none; Jahnke closed the Public Hearing at 8:25 p.m.

VI. CONSIDER ADOPTION OF FISCAL YEAR 2004-2005 BUDGET:

#2004-55 Motion: Motion by Gallasch, seconded by McElroy, that Franklin Village Council approve the Village of Franklin budget for fiscal year 2004-2005, with total millage of 8.9058 mills, total revenues of \$4,032,493, and total expenditures of \$3,956,256, the same figures as published in the legal publication of May 22, 2004. Discussion: McElroy commended the group of individuals which worked on the budget. Vote: Motion carried unanimously.

VII. ADJOURNMENT:

Motion: Motion by Gallasch, seconded by McElroy, to adjourn. The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Rebecca Gale