

**PROCEEDINGS OF VILLAGE OF FRANKLIN
VILLAGE COUNCIL REGULAR MEETING
MONDAY, AUGUST 8, 2005, 8:00 P.M.
FRANKLIN VILLAGE HALL - BROUGHTON HOUSE
32325 FRANKLIN ROAD, FRANKLIN, MICHIGAN 48025**

I. CALL TO ORDER

President Jahnke called the meeting to order at 8:00 p.m., at the Franklin Village Hall, Franklin, Michigan.

II. ROLL CALL

Motion by Coyer supported by McElroy to excuse Trustee Harnisch in his absence from this meeting.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer

Nays: None

Abstain: Jahnke

Absent: Harnisch

Motion carried.

Present: Mark Jahnke, Randy McElroy, Dominick Schiano, Fred Gallasch, Bill Lamott, Brian Coyer

Absent: Alan Harnisch (excused)

Also Present: Jon Stoppels, Administrator
Eileen Pulker, Clerk
John Staran, Village Attorney, Beier Howlett
Edward Glomb, Police Chief
William Castro, Detective Sergeant
Thomas Morrow, Treasurer

III. ADOPTION OF AGENDA

Motion by Gallasch supported by Lamott to approve the Agenda as presented, with one change, moving Item IX B (Consider Police Chief Departure) to Item IX A.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

IV. MINUTES:

A. Regular Meeting of July 11, 2005

Motion by Coyer supported by Gallasch to approve the minutes of the Regular Village Council meeting of July 11, 2005 as presented.

Ayes: McElroy, Gallasch, Lamott, Coyer

Nays: None

Abstain: Schiano, Jahnke

Absent: Harnisch

Motion carried.

V. REPORTS OF OFFICERS AND AGENTS

Fire Chief Tony Averbuch was not present at the meeting, but had previously provided a written report to the Council.

Treasurer Morrow referred Council to his written comments, adding that he was pleased to be providing his first such report. Morrow reported that the Bills List for the month of August totaled \$577,105.15, which is higher than most months because it includes a pressure sewer bond payment of \$294,621.88 and a general bond payment of \$117,177.50. Morrow added the bond payments and the remaining expenditures are generally consistent with the approved FY2005/2006 budget. Morrow stated that the Village has sufficient funds to meet its current and anticipated obligations, and that included in the Council's packet for the meeting was a listing of the account balances as of August 1, 2005. Morrow added that tax payments continue to be received and the balances only reflect receipts as of August 1, 2005. Morrow further stated that this was the first year that Plante & Moran had been appointed as auditors for the Village. Their field work was almost complete with a short list of follow-up items that should be completed in the next week, and the final audit report was expected to be received in September 2005.

Chief Glomb addressed the Council, thanking them and all of the people of Franklin for the "great run" that he had had at the Village. Glomb added that he was leaving a great department, that he was fond of every one of the officers in the department, and added that he was proud of each of them and the reserves. Glomb thanked everyone for the last twenty-three and a half (23 ½) years, adding that Franklin was a special place and he would continue to view as friends the many people who had befriended him in his many years at the Village. Glomb concluded stating that the department was in great shape and would not "miss a beat".

Interim Chief Castro referred Council to his written report, and thanked them for the opportunity to present his report to them. Castro stated that he would provide a brief account of those incidences that had occurred in the Village in the past month. Castro stated that the first half of the month was quiet, however on July 16th a larceny from a home on Crestwood was reported. A vacationing family (upon their return home) discovered their safe missing, and it was subsequently discovered that there had been an unauthorized party at the home in their absence. Castro added that interviews have been conducted and there were good leads to follow up on, with the expectation that the prosecutor's office will receive the case in a week or two. Castro also reported on a larceny of construction equipment (that was only now reported for insurance purposes) that had occurred in January 2005, in which some tools had been stolen from a construction site on Willowgreen. There are no suspects at this time. Castro reported that there had been a fraud at the Standard Federal Bank, in which a Detroit resident attempted to cash a check for over \$900.00. The teller was able to determine that the check was not legitimate. As the suspect fled the bank he had left behind some identification which was proven to be fake. Castro reported that a resident on Woodside reported an acquaintance taking a vehicle without permission, thus stealing the car, which has since been recovered. Castro concluded reporting on incidences that have occurred in the surrounding communities. While none have occurred in Franklin or Bingham Farms, during the past month a team, (a male and a female), have posed as water department

personnel, approaching homes stating that they are giving out refunds of \$50.00. They then present the resident with a \$100.00 bill asking for change. The couple gains entry to the home and takes jewelry and cash. The couple have been spotted in a full size, black van.

Castro commented on Chief Glomb's departure stating that he thanked Glomb, would miss him and that he had learned a great deal from Glomb in the seventeen years that he had known him. Castro added that he was confident things would move smoothly as the Chief had made him aware of all that he needed to know.

Jahnke extended his personal "thank you" to Chief Glomb for his help during both of his two different tenures with the Village government. Jahnke considered his time with Chief to have been a highlight and knew that, like Castro, he would remain in touch and continue to see Glomb. Jahnke added that he hoped to see Glomb at the Fall "Round Up". Glomb responded that he hoped to be in attendance at the "Round Up".

**#2005-59 Motion by Gallasch supported by Schiano the following resolution:
Be it Resolved that the Village of Franklin offer, on Chief Edward Glomb's behalf, for his twenty three (23) years of service, a great thanks from the Village and the Council in appreciation for all he has done for the Village and who all look forward to seeing him in the future.**

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

VI. SUBMISSION OF CURRENT BILLS

Motion by Gallasch supported by Schiano to approve the bills list as presented with one correction, the Daimler Chrysler bill listed as \$31,713.00 changed to \$317.13.

TOTALS:

General Administration	\$ 14,400.01
Building	20,105.52
Insurance	39,679.37
Legal	3,303.82
Police	17,163.83
Pressure Sewer	294,921.88
General Debt Service	117,302.50
Major Roads	4,402.62
Local Roads	4,387.50
Rubbish	39,178.72
Trust & Agency	21,000.00
Village Hall & Grounds	1,016.48
Waste Water	242.90
ALL FUNDS	<u>\$577,105.15</u>

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

VII. PUBLIC REQUESTS AND COMMENTS

No comments were made at this time.

VIII. SPECIAL REPORTS

A. The Future of Municipal Finance, Frank Audia, Plante Moran

Jahnke introduced Frank Audia from Plante Moran, the partner responsible for Governmental Practice.

Audia commented that Plante Moran did a lot of commercial work and also a good deal of local government work for over 200 municipalities throughout Michigan. With their governmental work Plante Moran had learned a great deal about the Michigan Municipal Finance Model. Audia passed out a handout to the Council, adding that a few extra copies would be available for residents who would like to pick up a copy at the Village office.

Gallasch commented that in as much as he had been one of the motivators in asking Audia to be present at the meeting, he stated that what he would like to know more about the changes coming forth in financing municipalities, what kind of impact that will have on the Village finances, and how the Council needs to adjust for those changes. Audia responded that his presentation was titled, "System Failure – Michigan's Broken Municipal Finance Model", and that this presentation had been developed at the request of the Michigan Municipal League (MML), an organization that works on behalf of local government in terms of education and training. Adding that the MML had requested that Audia and Plante Moran develop a document that could be used by elected officials, (both officials in Lansing and local communities) to better understand the challenges that local communities face. The document provided is available in its entirety on the MML website, www.mml.org.

Audia gave the following presentation: The report focuses on the main sources of finance for local government look on it as a three legged stool; the first leg - Property Taxes, the second leg - State Shared Revenue, and the third - other revenue, fines, fees, and miscellaneous revenue that a municipality can generate. The dynamic that we find ourselves in, is that the finance model in Michigan that had been created many years ago. At the time it was created, the model had a lot of functionality, had a lot of versatility. But what has happened over the years is that various independent changes to legislation, administrative changes and law and court cases have rendered a system of municipal finance that is not cohesive and is not working well. In the study it was found that in communities that have become fully developed, essentially the communities reach a point of physical stress, in that the main revenue sources (the three legs on the stool) are not generating the monies needed to continue to operate the government at the level historically operated on. Then communities are using their fund balances, have to look at service offerings critically, and are facing many of the same challenges that businesses are facing today without the same flexibility and luxuries that businesses do relative to generating revenue. What the study does is look closely at the first leg of the stool, (property taxes) and examines two of the fundamental tenants that local governments rely on to levy property taxes; the Headlee Amendment and Proposal A. The report does not say that Headlee is bad or wrong, or not a good thing, or Proposal A either. Proposal A was designed to be a solution to school finance, and did not deal with issues of how to run a local government, which create unintended impact on how local property tax revenues are collected. Once a community becomes fully developed, the community is

getting less revenue than expected when Proposal A was passed. Audia reviewed examples outlined in the material provided. The promise of Proposal A was that if you stayed in your present home, your tax bill would raise no more than inflation, in fact the rate of inflation or 5% whichever is lower. What has happened is that homeowners are getting a better deal with Proposal A than people thought they would get, in some cases less than inflation. Audia explained that the taxable value of property goes up by the inflation rate, but the millage rate is rolled back, due to growth in existing property at a rate that is greater than inflation.

The millage rate went down due to the fact that Michigan legislature had the responsibility of looking at the General Property Tax Act, which governs how tax bills are levied. The legislature made two important changes that were not within the scope of what had been voted on. The changes are: uncapping or pop up of taxable value when a property is sold which is not a windfall for the municipality, because of the statutory change is considered growth on existing property. Under the Headlee amendment this causes the millage rate to be rolled back. That means that those who stay in their homes pay less than inflation, and while new money comes from newly purchased property. Tax rates go down for those remaining in their homes which is a tax break. This dynamic is going on now that the state is ten (10) years out on Proposal A. The Village was given a 3.5 mills of millage authority by the voters and that has been reduced, rolled back to 2.7583 mills for 2005 which is 78% of the authority. Before Proposal A and after Headlee the law was written that, in years with less than inflationary growth, the communities could recover some of that lost millage authority. But since Proposal A was enacted, the millage rate is permanently capped and can only go down - unless there is a voter approved Headlee override. Short-term remediation of these issues is unlikely, so in looking forward in terms of financial projections, that is what you have.

The second leg of the stool is state-shared revenue, which in the state budget is one line and a very easy target to cut to save money. The state has taken \$500,000,000 each year for the last two years out of money that was programmed to come back to villages, townships, cities and counties to solve the state's money problems. Until there is a long-term solution to the state's budget problems, the full funding of revenue sharing will not return, and the current level the Village is afforded is the best to be hoped for.

Many communities are using fund balances, reducing capital spending, and basically leaving positions unfilled. In terms of other things coming in the future, there is a new accounting pronouncement, called the OPEB pronouncement, GASB 43 & 45, which makes accounting for retiree health care on the same footing as what the private sector is required to report. If a community provided a promise to pay for health care for retired employees, the communities will need to (in the next several years), measure that obligation and record it in their financial statements.

Gallasch asked if a community could be required to use their fund balance to fund that obligation. Audia responded that GASB gives the option to not do that, but if you don't it becomes a liability in your full accrual in government wide statements. Audia added that to get a clean audit opinion, you would have to measure it, and Plante Moran would strongly advise that you should budget for it.

Audia concluded stating that as a fully developed community, Franklin falls into the same problems as fully developed older urban communities.

Gallasch asked that, if the Village decided to not lock in its fund balance for the purpose of funding the retiree health care, what affect would that have on a proposed bond issue. Audia replied that not funding that would be an issue that a bond market would not look at favorably. Schiano asked about the example provided with a home changing hands and that a new homeowner would then pay higher market taxes, which gives a deduction to the rest of the community, however, the taxes collected by the

Village, in that example, are the same. The Village has the same absolute dollars coming in, so the Village should be able to operate the same way as before; with the same number of households, just a redistribution of whose paying (the people who are here already who get a little bit of a break or the new person who understands and agrees to pay the higher amount). Audia agreed and added that the largest revenue source is limited in growth by inflation, which is the Proposal A inflation factor. Audia opined that public opinion is that if taxes went up 20% and if some of that is happening community wide, then the growth must be more than 2.3% (rate of inflation). But as has been explained, the real goal is to have the revenue increase by inflation, which is what is needed to manage the cost structure of the Village.

Coyer stated that the way out of this is to increase property taxes, which would mean a Headlee override for possibly police or fire services. During the study was any research conducted regarding the attempts to obtain voter approval of Headlee overrides, and review regarding causes and outcomes. Audia replied that that had not been a formal part of the study, however, because he frequently is asked those questions, he has anecdotal information that he had collected, stating that neighboring communities of Huntington Woods, Lathrup Village have not had it happen, and his experience is that efforts are successful about 50% of the time, which is higher than the success rate was even a few years ago when it was only about 33%.

Audia stated that once a community has spent down its Fund Balance to a level where the Council doesn't want to spend any more of it, and if the revenue is not enough to balance the budget, it becomes a choice for the constituents in terms of whether to sacrifice programs or to maintain services at the current level it would then be necessary to reauthorize the previously approved millage rate, which is the way in which local communities have presented the issue to their voters.

Jahnke asked about GASB 43 & 45 that does not affect the Village until after 2006. Audia opined that it is likely that it would be effective for the Village in 2008, and that actuarial studies could be conducted which would provide estimates of costs for retiree health insurance. The Council could then decide to fund that expense on an annual basis. Statewide, very few local governments are advance funding this obligation. In fact Audia stated that he is familiar with only 10 such communities out of a possible 1800 governments that have seriously prefunded this obligation. Oakland County has been one of the communities that have provided advance funding this obligation. Schiano opined that in as much as these communities are managing their finances conservatively and building fund balances, they are in effect funding such an eventuality by doing the same thing. Audia concurred, the fund balance would be for that purpose. Audia noted that Livonia has prefunded this for years and the investment market did not do so well, which made them from 50% funded down to 30% funded. Jahnke noted that this would become just like a defined benefit pension plan, you get an annual actuarial report, the Village makes a contribution but it is not a plan but rather a reserve. Audia said there are choices, it could be funded or unfunded. The Village could create a plan for which there would be costs associated. Several years ago in anticipation of this accounting pronouncement coming out, the Michigan Governmental Finance Officers, a committee Audia serves on, was able to get a state Law passed which allows communities to set up a separate fund and not go through the expense of setting up a plan, and transfer monies into that fund and invest those monies, like you would pension fund monies, i.e. in stocks and bonds. This is easy to set up following the State Law to create the separate fund and segregate those funds. Gallasch asked if there were companies to handle those funds for communities to which Audia responded yes. Jahnke asked, until we get a plan, (and we have consulted an actuarial report and a definition of the funding required to fund the obligation) another step is to create a plan and a fund. Audia stated that is you do not

want to create a plan. You can just minimally create a fund and that once you begin to put the monies into that fund you can invest it like you would pension monies. Jahnke asked if GASB 43 & 45 are both related to this issue, to which Audia responded that one applies if you have a formal plan and the other applies if you are an employer without a formal plan.

B. President's Report, Mark Jahnke, Village President

Jahnke stated that the big news of the month is that Police Chief Ed Glomb has presented the Village with a letter of retirement. Glomb is taking a position with the Wayne County Airport Authority, and started there on August 8, 2005. Since this is rather recent there are a few things we need to be getting to, and he asked that a Special Council meeting be set for Thursday August 18, 2005 at 8:00 p.m. Jahnke and Stoppels had both been speaking to a number of communities that have recently gone through similar circumstances and he suggested by that date the Council would be in a position to discuss what kind of process the Village would be looking at.

#2005-60 Motion by Gallasch supported by McElroy to call a Special Council Meeting on August 18, 2005 at 8:00 p.m. to held at the Village Hall.

Possible alternate dates were discussed, and Pulker was directed to contact Harnisch early the next day to determine his availability and any possible alternate dates. Staran stated he was available on August 18, 2005. Jahnke added that at this meeting the process by which the Council would be choosing a new Police Chief, would be discussed. Also, under the personnel policy, and present the final compensation package correctly for Chief Glomb.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

C. Council Report

Lamott stated that last Wednesday a company named ACRT had completed a survey of trees on 20% of the Village streets in Franklin. By the end of August the Village should have a formal management plan from that company. Based on the survey, the Village has about 4300 trees in the road right of way.

D. Consumers Energy and DTE Tax Tribunal Determination

Jahnke introduced this item stating that these utility companies had gone to the Michigan Tax Tribunal seeking a refund of property taxes. Consumers Energy has received a determination and DTE expects a determination shortly, each resulting in lower property taxes and possible refunds for these utilities. Staran stated that this is arriving from settlements, and that these utility companies filed these throughout their service areas across the state, personal property tax cases. Staran added that these cases had been pending for a number of years, during which a review and study by the State Tax Commission of their depreciation multipliers on these public utility properties. The utilities filed these cases as a protective measure, and the State Tax Commission completely revamped their depreciation tables to the extent that the utility companies come out way ahead. What the utility companies have done, when allowed by the various communities, was to pay the less than they had been billed for personal property tax, having recomputed their taxes based on what they would be using the newly

approved depreciation multipliers. The communities are settling, and there have been consortiums formed of which Southfield Twp and Oakland County are members, and they are entering into settlement stipulations that are being approved by the Tax Tribunal which is why we are beginning to seeing these judgements. Jahnke added that there would be refund payments made in this fiscal year, with reduced tax payments payable in the future, and that budget amendments will need to be made.

E. Birmingham Area Cable Board Annual Report, Fred Gallasch

Gallasch, as the Village Cable Board Representative, reported that the Cable Board has issued its annual report, adding that there have been a lot more complaints to Comcast in regards to rates over the last year and have found out that if customers complain enough, Comcast will reduce the rates.

IX. NEW BUSINESS

A. Consider Police Chief Departure.

#2005-61 Motion by Coyer supported by Gallasch to accept the resignation or retirement of the Police Chief, Edward Glomb, with many thanks.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

B. Consider Appointment of Interim Police Chief.

Jahnke stated that upon learning of Glomb's retirement, one of his first questions to Glomb was in regards to who he would recommend as interim Chief, which is to be Detective Sergeant William Castro, acknowledging that the Village also has Sergeant Ed Girardot has also served the Village for over twenty years.

#2005-62 Motion by Gallasch supported by McElroy to appoint Detective Sergeant William Castro as the Interim Police Chief for the Village of Franklin until such time as a permanent Police Chief is appointed.

Amendment to add a salary adjustment of an additional \$500 per month, effective August 8, 2005 accepted by Gallasch and McElroy.

Motion by Gallasch supported by McElroy to appoint Detective Sergeant William Castro as the Interim Police Chief for the Village of Franklin until such time as a permanent Police Chief is appointed, for an additional salary of \$500 per month, effective August 8, 2005.

Jahnke noted that the Village is lucky to have Bill Castro and glad that Castro agreed to take this on, knowing Castro will work closely with Stoppels.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

C. Consider Civic Event Application for the Franklin Community Association "Round Up".

#2005-63 Motion by Schiano supported by Gallasch to approve the Civic Event Application for the Franklin Community Association Annual “Round Up”.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

D. Consider Tree Variance Request for the property located at 31040 Crestwood, Franklin.

Stoppels stated that Mr. Scott Aldrich had appealed the determination that a tree bond was required for the tree permit for his newly purchased property. Mr. Aldrich had stated that he would not be able to replace all of the trees that were being removed during the demolition of the existing house, and the construction of the new home. Stoppels noted that Mr. Aldrich’s appeal was to the Council as prescribed in the ordinance.

Mr. Aldrich addressed the Council, explaining his need for a variance from the prescribed tree bond for his tree permit application. Mr. Aldrich stated that this heavily wooded lot would make it difficult for him to replace those trees that he had planned to remove. The various options were discussed and Mr. Aldrich clarified his feelings that the trees he wished to remove would not change the look of the property.

#2005-64 Motion by Schiano supported by Coyer to deny the request for a variance from the tree bond required in the tree removal application for the property located at 31040 Crestwood, Franklin.

An amendment was approved by both Schiano and Coyer that as the applicant had not provided adequate proof of an undue hardship the application was denied.

Motion by Schiano supported by Coyer to deny the request for a variance from the tree bond required in the tree removal application for the property located at 31040 Crestwood, Franklin that the applicant had not provided adequate proof of an undue hardship in his request for a variance.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

E. Consider Application to Demolish Structures at 31720 Franklin Road, Franklin.

#2005-65 Motion by McElroy supported by Coyer to approve the application to demolish structures at 31720 Franklin Road, Franklin subject to the normal bonds and the approvals of the building official.

Don Foss, the owner of property was present to provide answers to any questions Council may have, and Staran clarified that the documents had been reviewed and nothing was out of line. When asked, Mr. Foss stated that while he intended to take down the stone wall on the property. Foss agreed that he would rebuild it on a different area on the property and also stated that he would be saving and reusing the stone on the house.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None
Absent: Harnisch
Motion carried.

F. Consider Application to Demolish Structures at 31725 Briarcliff, Franklin.

#2005-66 Motion by Schiano supported by McElroy to approve the application to demolish structures at 31725 Briarcliff, Franklin subject to the normal bonds and the approval of the building official.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

G. Consider Landfill Application for the Property location at 25111 W. Thirteen Mile Road, Franklin.

Stoppels stated that the application has all the appropriate forms and reports, and that while this project had been completed prior to approval. There was nothing underhanded, just that the applicant did not realize that additional permits were necessary, but is now recommended for approval. Staran added that property owners take a big risk completing projects before obtaining permits, in that if the project were not completed to the Village's standards, they would risk having to redo their project at their own cost.

#2005-67 Motion by Gallasch supported by McElroy to approve the application for Landfill Permit for the property located at 25111 W. Thirteen Mile Road, Franklin.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

H. Consider Application for Rezoning for Helmanwoods lots numbered 73, and 79-94.

#2005-68 Motion by Coyer supported by McElroy to refer the application for Rezoning for Helmandwoods lots numbered 73, and 79-94 to the Planning Commission for appropriate review.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

I. Consider Appointments to Historic District Commission, Zoning Board of Appeals and Planning Commission.

#2005-69 Motion by Gallasch supported by Lamott to ratify the appointment of Mike Hoyt to a three year term on the Village of Franklin Planning Commission.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

#2005-70 Motion by Schiano supported by Lamott to ratify the appointment of Joe Roisman to a three year term on the Village of Franklin Planning Commission.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

Jahnke stated that Lew Hoy, a long time member of the Planning Commission and many other organizations in the Village, had decided to step down at the end of his term on the Planning Commission and that the Village appreciates all that he has done over the years. Jahnke stated that the only name submitted as a possible replacement was that of Brian Hughes, whom Pam Hansen had recommended. Jahnke continued stating the Mr. Hughes had formerly lived in the Village, and was again a Village resident who had been active in organizations in the Village previously, and had agreed to serve on the Planning Commission.

#2005-71 Motion by Coyer supported by McElroy to ratify the appointment of Brian Hughes to a three year term on the Village of Franklin Planning Commission.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

Lamott stated that Rick Koslowski had stepped down at the end of his term on the Historic District Commission, a position he had held for a number of years. Lamott further stated that he wished to nominate Mark Ashbaugh, a resident of the Historic District on German Mill for eleven (11) years, and an active member of the Historic Society, and in his opinion would be a great asset to the Historic Commission.

#2005-72 Motion by Lamott supported by Gallasch to nominate Mark Ashbaugh to a three year term on the Village of Franklin Historic Commission.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

Jahnke stated that with Rob Cornillie's resignation from the Zoning Board of Appeals with one year remaining in his term, a replacement has been recommended by both Randy Brakeman and J. Hailey, Gil Kidd.

#2005-73 Motion by McElroy supported by Lamott to appoint Gil Kidd to fill the remainder of the term of Rob Cornillie, for one year, until July 2006 on the Village of Franklin Zoning Board of Appeals.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

#2005-74 Motion by Lamott supported by Schiano to reappoint Harold Stein, Sam Dabich and Jim Stevens, each for a three year term to expire in July 2008 to the Village of Franklin Zoning Board of Appeals.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

J. Consider Ballot Language for September 13, 2005 Regular Village Election.

#2005-75 Motion by Gallasch supported by Lamott to approve the Ballot Language for the Regular Biennial Village Election to be held on September 13, 2005 as follows: Clerk, Two year Term, Vote for not more than one – Eileen H. Pulker; Trustee, Four year Term, Vote for not more than three – Brian W. Coyer, Steven Croyle, Fred Gallasch, Dominick J. Schiano; Library Board Member, Four year term, Vote for not more than two – Julie S. Douse-Angileri, Charles Hudson.

Jahnke asked if absentee ballot applications for the election were available, to which Pulker replied that they had been mailed to those registered voters aged 60 and older and the One hundred ninety six (196) had been received back. Pulker added that several college students had applied for absentee ballot, and others who will be out of town on Election Day. Pulker stated that the last day to apply for an absentee ballot would be Saturday, September 10, 2005 until 2:00 p.m. Jahnke asked when the last day to register to vote in the September 13, 2005 election, to which Pulker replied Monday, August 15, 2005 at either the Franklin Clerk's office or the Southfield Township Clerk's office.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

K. Consider Election Workers for the September 13, 2005 Regular Village Election.

#2005-76 Motion by McElroy supported by Schiano to approve the following as Election Inspectors for the Regular Biennial Village Election to be held on September 13, 2005: Rose Galley, Carol Fisher, Gordon McAlpine, and Ethel McAlpine.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

L. Consider Proposed Change to the Vehicle Use Policy.

#2005-77 Motion by Coyer supported by Schiano to approve the changes to the Village of Franklin Vehicle Use Policy as described in attachment #1, dated 8/5/05 to be effective January 1, 2005.

Discussion ensued regarding the record keeping that would be required, and the compliance with Internal Revenue Service requirements.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

M. Consider Section 106 submittal (form 621) for FCC Tower Project for the Franklin/Bloomfield Distributed Antenna System, Ramaker & Associates, Inc.

Jahnke stated that having received the letter from Ramaker & Associates, Inc. in their capacity as consultants for ClearLinx, he had noted that he had been listed as a contact in the text of the letter when he, in fact, had not been contacted. Jahnke also noted that although the Historic District Commission had reviewed this document, they had also done so after the fact. Jahnke stated that he felt it was critical that all of this documentation should have been presented to the Village ahead of any installations to insure the Village's approval. Jahnke noted that he was certain that everyone was in favor of the apparatus on existing utility poles, especially considering some of the alternatives, and felt that in order to avoid installations that would not be favorable it is critical that the Village receive plans in advance of installations of any kind.

X. BIDS/CONTRACTS/PROPOSALS

A. Consider Appointment of Village Attorney.

**#2005-78 Motion by Coyer supported by Gallasch, with the Village's thanks to:
Resolution**

Whereas, John D. Staran, in connection with Beier Howlett, P.C., has served the Village of Franklin as Village Attorney since March, 1997; and

Whereas, John D. Staran has announced he will be leaving Beier Howlett, P.C., as of September 1, 2005, to start a new law firm, Hafeli, Staran, Hallahan, Christ and Dudek, P.C.; and

Whereas, the Village Council desires to retain John D. Staran as Village Attorney in connection with his new law firm;

Therefore, it is resolved that the Village Council appoints John D. Staran and Hafeli, Staran, Hallahan, Christ and Dudek, P.C. as Village Attorneys effective on September 1, 2005 or such other date that John D. Staran notifies the Village that he has commenced to practice at Hafeli, Staran, Hallahan, Christ and Dudek, P.C.

It is further resolved that the Village Clerk shall provide written notice of the Village Council's decision to Beier Howlett, P.C., expressing the Village Council's appreciation for their years of service, and instructing and authorizing Beier

Howlett to release and transfer all active and inactive Village files to John D. Staran and Hafeli, Staran, Hallahan, Christ and Dudek, P.C.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

B. Consider Police Union Contract Negotiating Committee Recommendation for Consulting Attorney.

Lamott stated that the Police Union Contract Negotiating Committee had interviewed two attorneys with municipal labor relations experience, Dennis DuBay and Dennis Gabrian.

#2005-79 Motion by Lamott supported by Coyer to approve the Police Union Contract Negotiating Committee Recommendation for Dennis B. DuBay of Keller Thoma, P.C. as the Consulting Attorney for the Contract Negotiations for an amount not to exceed \$10,000.

Jahnke asked what means had been used to obtain names of consulting attorneys to which Lamott replied that other communities had been consulted and Mr. DuBay had come highly recommended. Jahnke added that Mr. DuBay had worked with the Village for several years as labor attorney, and that he had also considered Mr. DuBay a number of months ago when the Personnel Committee had discussed this.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None

Absent: Harnisch

Motion carried.

C. Consider Proposed Historic District Commission Guidebook Publication.

Lamott reported that several months ago, the Council had approved funding the development of a Design Guidelines booklet for the Franklin Historic District and added that the book will be produced and provided to every homeowner in the Historic District as well as to Realtors and the Library, in order to provide the necessary information for any renovation/remodel work to be performed on homes in the Village.

D. Consider Proposed Fee Schedule for Actuarial Valuation of Retiree Health Care Benefits.

Stoppels stated that last month the Council had approved three different actuarial studies to be conducted for a total of \$5,000: 1) related to the new benefit that has been guaranteed in the current contract; 2) related to the retirement plan for the Police officers as requested in the recent negotiations, both of which have been requested of MERS, and the police union agreed to pay ½ of cost of those. The third actuarial is the post employment benefit, that being the retiree health care, also to determine what the long term costs will be and the proposal has been received from Gabriel, Roeder, Smith & Company which is estimated to cost approximately \$5,500.

#2005-80 Motion by Schiano supported by McElroy to increase the authorization to fund actuarial studies for the Village from the previously authorized \$5,000 to \$8,000.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke

Nays: None
Absent: Harnisch
Motion carried.

XI. PROCLAMATIONS/RESOLUTIONS/ORDINANCES

A. Consider an Ordinance to Amend Section 1040.10 of Chapter 1040, Waste Water Management District, of Title Four, part Ten of the Codified Ordinances of the Village of Franklin, Oakland County, Michigan, to Add Subsection (f) Authorizing the Village Administrator to Grant a Two (2) - Year Extension of the Biennial Operating Permit Requirement for the On-Site Septic Systems Based on Financial Hardship, to Repeal Conflicting Ordinances, and Prescribe a Penalty for Violations (first reading).

Discussion ensued regarding the environmental concerns, versus the minimal use of some residential systems in the Village, and also the financial considerations of residents with limited monthly incomes.

#2005-81 Motion by Coyer supported by Lamott to approve in its first reading the ordinance to Amend Section 1040.10 of Chapter 1040, Waste Water Management District, of Title Four, part Ten of the Codified Ordinance of the Village of Franklin, Oakland County, Michigan, to Add Subsection 9f) Authorizing the Village Administrator to Grant a Two (2) – Year Extension of the Biennial Operating Permit Requirement for the On –Site Septic Systems Based on Financial Hardship, to Repeal Conflicting Ordinances, and Prescribe a Penalty for Violations.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

XII. Consider Whether to Meet in Closed Session to Discuss Union Negotiations with the Police Officer’s Association of Michigan.

Postponed

XIII. ADJOURNMENT

Motion by Lamott supported by McElroy to adjourn the meeting.

Ayes: McElroy, Schiano, Gallasch, Lamott, Coyer, Jahnke
Nays: None
Absent: Harnisch
Motion carried.

There being no further business the meeting was adjourned at 10:38 p.m.

Respectfully Submitted,

Eileen H. Pulker, Clerk

Mark W. Jahnke, President

Attachment #1

Appendix E

Village of Franklin Vehicle Use Policy

PURPOSE

To provide rules and procedures that reasonably, effectively and economically control the use of Village vehicles by employees.

GENERAL STATEMENT

The purpose of this policy is to establish standard requirements and procedures in accordance with applicable Internal Revenue Service regulations for Village employees who are assigned Village vehicles in the course of providing Village services, conducting official business, commuting to and from work when the nature of the employee's job requires it, and for any other personal use (as restricted further in this policy). This policy is intended to ensure the safety and well being of the employee, to facilitate the efficient use of Village resources, to minimize the Village's exposure to liability, to monitor use, and determine the most practical type of vehicle that meets a variety of potential uses and complies with Internal Revenue Service regulations.

GENERAL REGULATIONS

Vehicles purchased or leased by the Village will be passenger type vehicles meeting specifications applicable to police patrol cars so as to provide a vehicle that serves multiple needs and can be transferred to different uses depending on the existing needs of the Village.

Currently, Village vehicles are or will be assigned to the Village Administrator, Police Chief and Detective Sergeant. The Village Council may change these designations from time to time when it meets the needs of the Village.

Village vehicles are authorized for use for official business, emergency response, commuting to and from work, and other limited personal use subject to the following;

1. ~~Employees may be~~ **are** required to maintain a daily log of all business and ~~personal use~~ commuting mileage. **Employees shall record odometer mileage at the start of the commute and again at the end of their daily commute. and submit same to the Clerk's office with bi-weekly payroll forms.**
2. Employees who commute with or use Village vehicles for other personal business will be issued a W-2 tax form for annual reporting of personal use to the Internal Revenue Service. **Personal miles will be determined by subtracting all commuting and business mileage from the annual total mileage. Personal miles will be reported on an employee's W-2 form.**
3. Employees will be responsible to have routine maintenance performed and to report any needed repairs to the Village Administrator. Cost of repairs to be borne by the Village
4. Employees who fail to maintain their vehicle in an acceptable fashion, abuse the vehicle, or have repeated "at fault" accidents may lose the right to drive a Village vehicle. Employees will be required to sign a statement accepting the responsibilities of this policy.

OTHER

Employees who are not assigned a Village vehicle, but are required to travel for official Village business, may be temporarily assigned a vehicle or compensated for the use of their own vehicle in accordance to Internal Revenue Service guidelines.

LEASE CAR VEHICLE SPECIFICATIONS/REGULATIONS

Type: Meet intent of following criteria and manufactured by a domestic auto company

Bidding: Local competitive bidding, sealed bid, or through other governmental authorized bid process

Price: Monthly lease **or purchase finance** price not to exceed ~~\$325.00~~ \$375 (to be set by Council each year based on market factors)

Terms: 24 -- ~~36~~ months 48

Equipment: All standard equipment including; am/fm radio, air conditioning, cruise control, ABS brakes, and all-season radial tires.

Specialty Equipment: Limited to police related equipment. All other options to be approved by Village Manager prior to bidding

Business Authorized Use: Work related trips **and commute mileage**

Annual Mileage Limitation: Lease to include annual mileage of ~~15,000~~ 18,000 miles (Employees to pay for any overages at the end of the lease.)

IRS Reporting: Employees who utilize a Village vehicle will be given a W-2 tax form **for all personal use miles**. ~~representing 25% of the annual cost for said vehicle. Or, as reported in a personal/business miles log maintained by the employee.~~