

**VILLAGE OF FRANKLIN  
BUDGET PUBLIC HEARING  
MAY 17, 2010, 8:30 P.M.  
BROUGHTON HOUSE – FRANKLIN VILLAGE HALL  
32325 FRANKLIN ROAD  
FRANKLIN, MICHIGAN**

**I. CALL TO ORDER**

President Gallasch called the meeting to order at 8:30 p.m. at the Franklin Village Hall.

**II. ROLL CALL**

Present: Brian Gettel, Mark Jahnke, Bill Lamott, Jim Kochensparger, Steve Rosenthal, Fred Gallasch

Absent: None

Also Present: Jon Stoppels, Administrator  
Eileen Pulker, Clerk  
Tom Morrow, Treasurer  
Patrick Browne, Police Chief  
Tony Averbuch, Fire Chief  
Pamela Hansen, Planning Commission Chairman

**III. ADMINISTRATOR'S BUDGET PRESENTATION**

Stoppels provided an overview of the budget as follows:

The FY 2010-2011 Proposed Budget is balanced with an \$8,800 surplus. The Village Council will need to approve the budget this evening in order to have appropriate time to print tax bills.

The Budget is balanced despite a 7% decrease in taxable value resulting in a \$100,000 reduction in property taxes. Consequently the General Fund Budget needed to be cut by \$106,000 from FY 2009-2010 spending levels. Much of the cuts can be attributed to staff reduction at Village Hall, cost containment at the Police Department and an across the board reduction in non-essential service programs.

The millage rate for FY 2010-2011 increased by slightly more than one mill to 7.3435 (\$7.3435 per \$1,000) which is still almost two mills less than FY 2004-2005 and earlier years.

As anticipated, the Administrative portion of the General Fund is shrinking while the Police Department is increasing. However, through the efforts of the Police Chief, Police Department costs are controlled and a recent retirement will have a long term benefit as well as a new two tiered collective bargaining agreement.

Most residents will see that their property value went down, some of which by double digits. The increase in millage means that local taxes for a home with a market value of \$500,000 would increase from \$1,500 in FY 2009-2010 to \$1,700 in FY 2010-2011.

From a total property tax cost standpoint, the Village of Franklin can still boast one of the lowest operating millages in the area, with only 18¢ for each tax dollar going to the Village of Franklin.

The General Fund - fund balance picture is good although there is the possibility that the Village may have to dip into the balance in the next two to three years and possibly at the end of this year.

Currently the General Fund – fund balance is \$496,000 or 29% of the total for FY 2010-2011. That total could reach \$510,000 which is 32% of the total or roughly \$110,000 more than the targeted amount. Recall that the target percentage is 25%.

However, without knowing what revenues will be received in the Building Department over the next 14 months, it will be difficult to know what may need to be transferred to the Building Fund from the General Fund – fund balance.

The cost of the Police Retirement Program still remains an unknown as does the necessary investment to fund the post retirement benefits afforded to the Police. Both of these costs could have a negative impact on the General Fund - fund balance as well.

The next fiscal year(FY 2011-2012), the Village will also need to increase the Pressure Sewer Debt Millage by 1.6 mills which is still within the total millage figures back in FY 2004-2005 and earlier.

Village Council members commented on several areas of the budget, and Jahnke provided an overview of the Other Post Employment Benefits (OPEB) report currently being compiled by Village Auditors, Janz & Knight. Jahnke noted that the Village had begun contributions to the post retirement health insurance fund in 1997 with \$44,000, and have continued, with increases, each year since. Presently the report received provided that the Village should continue their contributions by as little as \$23,000 a year or as much as \$81,000 a year. Treasurer Morrow provided additional information, citing the original liability for retiree health care at a total of \$569,000 in 2005 and agreed that the review provided was a good idea for this year, and an actuarial report could be obtained in the future to guarantee that the Village was funding the account at the correct level. Jahnke recommended a total of \$57,000 to be contributed in the upcoming year, which would allow for a \$4,750 payment each month (account #305711).

Several other revenue and expense accounts were reviewed, including the Planning Commission budget. Hansen, when queried, replied that the amount budgeted was not adequate to provide any more than core functions for the Commission and that this austere year would prevent much of the work they had hoped to provide for Master Plan implementation projects. Hansen also stated that if large projects requiring the Planning Commission's review were to be addressed, she would find it necessary to appeal for further funding.

The Main Street budget was reviewed, noting that a new administrative/manager employee would be a contractor, not a Village employee and that the requested budget for the upcoming year had not been received as yet from the Main Street Board.

The bullet proof vest program was discussed, with Chief Browne providing that forfeiture funds could be used to purchase vests, which he had made mandatory, and once purchased, matching grant funds could be obtained to reimburse the forfeiture funds expended.

The Kreger Farm project was discussed, and it was determined that while the buildings do not yet have their Certificates of Occupancy, the Farm House and shed (public restrooms) should be completed in the next few months, which will require funding for the maintenance needed for the remainder of the year. A \$5,000 amount was agreed to be the appropriate amount in that annual costs are expected to be approximately \$10,000.

The police dispatch service, provided by Farmington Hills Police Department, was discussed and Chief Browne agreed to check with Oakland County to determine if any cost savings could be obtained by using them. However, Chief Browne noted that with

the new radio system being used in conjunction with the Farmington Hills service, it was unlikely that a cost savings would be found.

**IV. FISCAL YEAR 2010-2011 BUDGET PUBLIC HEARING**

**A. Open Public Hearing**

**Motion by Gettel supported by Kochensparger to open the Budget Public Hearing.**

**Ayes: Gettel, Jahnke, Lamott, Kochensparger, Rosenthal, Gallasch**

**Nays: None**

**Motion carried.**

**B. Public Comments on Budget**

Enid Brown, 30666 Oakleaf, opined that copies of the proposed budget should have been made available for the meeting.

Brown was advised that copies are available from the Clerk's office anytime as stated in the meeting notice.

**C. Council Comments**

Village Council members further discussed the lower revenues caused by taxable values reducing, causing constraints in services to be provided, noting the increase in the Sewer Fund Debt Service due to the surplus having been used up over the last few years.

The fact that the tax rates cannot be increased due to the Headlee restrictions on the General Fund millage and the fact that the budget as proposed may require minor adjustments as the year progresses were also discussed.

**D. Public Hearing Closed**

**Motion by Jahnke supported by Rosenthal to close the public hearing.**

**Ayes: Gettel, Jahnke, Lamott, Kochensparger, Rosenthal, Gallasch**

**Nays: None**

**Motion carried.**

**V. PRESIDENT'S COMMENTS**

Gallasch thanked the Village staff, Finance Committee, and Jahnke for their work on the budget.

**VI. CONSIDER ADOPTION OF FISCAL YEAR 2010-2011 BUDGET**

**#2010-51 Motion by Jahnke supported by Gettel to approve the Fiscal Year 2010-2011 Budget as amended, increasing OPEB contributions to \$57,000 and creating an item for the Kreger House maintenance in the amount of \$5,000.**

**Ayes: Gettel, Jahnke, Lamott, Kochensparger, Rosenthal, Gallasch**

**Nays: None**

**Motion carried.**

**VII. UNFINISHED BUSINESS**

**A. Consider Appointment to Village Council**

Gallasch stated that two candidates remained for the Village Council Trustee position that had been vacated by Alan Harnisch's move from the Village. They were: Lew Eads and Mike Seltzer.

Jahnke opined that the procedure used for the replacement of Council Trustee Alan Harnisch, was much better than what had been provided in 2005 and 2007. Jahnke also stated his support for candidate Mike Seltzer noting that in 1992, four of those serving on Village Council had been former Franklin Community Association (FCA) Presidents.

**#2010-52 Roll Call Vote:**

<b>Gettel</b>	<b>Seltzer</b>
<b>Jahnke</b>	<b>Seltzer</b>
<b>Gallasch</b>	<b>Eads</b>
<b>Lamott</b>	<b>Eads</b>
<b>Rosenthal</b>	<b>Seltzer</b>
<b>Kochensparger</b>	<b>Eads</b>

Eads addressed the Village Council, noting his intention to set aside his request to be considered for the position, and as such would support Mike Seltzer as the new Village Council Trustee. Eads stated that he had applied for the position in order to help improve the perception held by many, that the divisiveness present between members of the Council was disheartening, and he had hoped to dispel the polarization between members. Eads noted that he will continue to serve the Village as a volunteer Birmingham Area Cable Board Representative and Deputy Treasurer.

**Roll Call Vote:**

<b>Gettel</b>	<b>Seltzer</b>
<b>Jahnke</b>	<b>Seltzer</b>
<b>Gallasch</b>	<b>abstain</b>
<b>Lamott</b>	<b>abstain</b>
<b>Rosenthal</b>	<b>Seltzer</b>
<b>Kochensparger</b>	<b>Seltzer</b>

**With four votes in the affirmative, Mike Seltzer is the newly appointed Village Council Trustee.  
Motion carried.**

**VIII. ADJOURNMENT**

**Motion by Gettel, supported by Rosenthal to adjourn the meeting.**

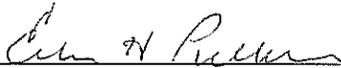
**Ayes: Gettel, Jahnke, Lamott, Kochensparger, Rosenthal, Gallasch**

**Nays: None**

**Motion carried.**

There being no further business, the meeting adjourned at 9:55 p.m.

Respectfully submitted,

  
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Eileen H. Pulker, Clerk

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H. Frederick Gallasch, President