

**VILLAGE OF FRANKLIN
VILLAGE COUNCIL SPECIAL MEETING
TUESDAY, APRIL 5, 2016, 7:00 PM
FRANKLIN COMMUNITY CHURCH
26425 WELLINGTON ROAD, FRANKLIN, MICHIGAN 48025**

BUDGET WORKSHOP

I. CALL TO ORDER

The meeting was called to order by President, Jim Kochensparger, at 7:10 PM at the Franklin Community Church, Franklin, Michigan.

II. ROLL CALL

Present: Fred Gallasch, Brian Gordon, Pam Hansen, Jim Kochensparger, Judy Moenck,
Tom Morrow, Mike Seltzer

Also Present: Jim Creech, Village Administrator
Eileen Pulker, Village Clerk
Lance Vainik, Treasurer

III. BUDGET REVIEW, FY2016-2017

Referring to the draft of the 2016-2017 Budget provided to the Council Members, Administrator Creech began the discussion by explaining the first page which was the **NOTICE OF PUBLIC HEARING for the property tax millage rate proposed to be levied to support the proposed budgets will be a subject of this hearing** adding that the Hearing should be scheduled for May 9, 2016 at 7:00 PM, during the Regular Village Council meeting.

Creech corrected the printed millage rate to 7.0561 in the narrative at the top of the page and in the first column under **III. Millage** which will be subject to change based on the actions of the Council at the next Council meeting on Monday, April 11, 2016. The Charter required that this general format with the summary be placed in the newspapers. The 2nd and 3rd pages were the General Appropriations Resolution, as required. Gallasch requested an explanation of **Section 10: Transfer Authority**. Creech clarified that the money transfers would be for emergencies only. A proposed summary Revenue and Expense page and a summary of Tax Revenues page followed. Creech noted that there was about a 2.5% increase in assessed values for the year. The following pages were the break-downs of the Revenues and Expenditures with narratives of each line item on opposite pages.

Several Council members expressed concerns that there were increases to the budget without written explanations and/or proposals. Creech stated that he would provide Council with proposals and other supporting documentation prior to next Monday's Regular Council meeting, April 11, 2016.

There were discussions about expenditures for new computer software, a new website, and the Broughton House Rehabilitation project, some of which is spread over different line items in the budget. Questions were raised regarding the lack of information provided, for new items noted in the budget such as the new website and the BS&A Software and whether BS&A is for just the building department or for the financial operations as well. Creech noted that the current software used is not municipal software. Specifics of the various software programs were requested with

costs for each and their implementation, and that a memo would be provided with the information requested.

Payroll services were discussed and Creech stated that his review provided both ADP and Paychex, one of which to be used in lieu of the Quick Books payroll currently being provided, which would decrease the Finance Clerk's office time.

The use of the fund balance for the Broughton House Rehabilitation Project was discussed, with Creech reminding all that the Grant Monies from The State Historic Preservation Office (SHPO) would be paid to the Village around December 2016, and that the fund balance would need to pay the bills in their entirety as they are presented. Creech also noted that the resolution provided in December 2014 approved the funding of the project, in conjunction with the Franklin Historical Society. Creech continued stating that the costs are only estimated as with the 1830 construction of the building, many aspects of the project are somewhat unknown, including many change orders that may result upon the lifting of building during the reconstruction. Creech explained further construction items that will be covered by the grant, as more funding has become available, such as the interior of the front office remodel, which will be charged in part to the Building Fund. Capital expenditures were further discussed, requesting detail on the various expenditure items, to which Creech replied that the total amount will be \$237,000, of which \$128,000 will be paid from the grant (reimbursement grant) for a net cost to the Village of \$108,600. Upcoming budget amendments for FY2015-2016 were discussed with more detail being requested for that as well, which will be for \$205,000 for the Broughton House project.

A request for a millage reduction was noted and the discussion ensued regarding the need to return any windfalls back to the voters and not spend it on additional items.

Vainik noted that the Rehabilitation project has begun and we are fairly deep into the project, and commented on the cost noting that the grant puts the Village's share at just over \$100,000. Vainik stated that everything in the budget appears to be the same in recent years, with a few exceptions such as the upgraded software which has been discussed before, and a new website which is news to him, and about \$2,000 in various furniture and equipment. Vainik also noted the additional revenue from the increase in property values was good news.

Creech continued stating that improvements to the building and operation of the Village would be prudent to produce at this time with all of the renovation work being completed, with wiring improvements, a computer network switch that needs upgrade, and chairs that are not stained, freshen up the office with paint and carpeting.

Several Council members asked for clarification, proposals and costs for each of these projects, and Vainik suggested a "wish list" that would delineate those items that are new to the budget and unique for this year, listing their entire cost as well as listing where each may be found in the budget.

Creech stated that an appropriation is not a mandate to spend so even if the money is appropriated it does not mean that it will be spent.

The NEXT request for an increase in funding was discussed, netting out the difference between their request less the amount we provide through Community Development Block Grant (CDBG), and the usage of their facilities by Franklin residents was reviewed.

The proposed Planning Commission funding for the technical review of Ordinances and other projects were discussed, including Master Plan, Complete Streets, and Sign Ordinance implementations.

Council requested that Main Street Franklin provide a “performance report” of the impact it has had on the entire Village, along the merchant lined corridor, other than contracting an employee.

The General Fund surplus was discussed noting that 25% is considered to be an adequate reserve and that the millage would not need to be collected in full, allowing some of the fund balance to be used in the upcoming budget.

Creech stated that there was an increase to the Police healthcare and casualty insurances, and Mobile Watch signs are included within their budget, retiree health care coverage, OPEB, was discussed noting that the current liability is being paid with nothing further being added to the fund balance at this time. The Forfeiture Fund was discussed, noting that spending from the fund is not included in the budget, and adjustments will be made throughout the year as projects are identified, such as the electrical wiring for the car port.

Creech stated that he has been in contact with Ed Zmich, Hubbell, Roth, and Clark, with regards to the expenditures proposed in the Major and Local Street Funds. Creech further summarized the current condition of the roads. A proposal for the work to be completed before the end of June was requested. Creech added that any road work completed now will be removed from the master list for the road work to be bonded for and contracted in FY2018-2019. Creech noted that winter costs were less than budgeted and a small grant (\$1,800) is available for trees which will be completed by June 30, 2016.

Building Department costs were discussed including the software update that is necessary for BS&A, in that the current program will no longer be supported, and the Village will need to update to the BS&A.net in order to continue to use the program. The lack of Ordinance enforcement by the Building Department Administrator due to time limits in the Village was discussed. Several solutions were mentioned and would be looked into.

Creech updated Council on the Solid Waste Contract proposals he had received.

General Debt Service Fund, Pressure Sewer Service Fund, Waste Water Management Fund, Fire Fund, and Library Fund were presented. Also included in the Budget packet was the Village’s Schedule of Indebtedness.

IV. PUBLIC COMMENTS

None

Public Hearing on the proposed Budget is to be scheduled for May 9, 2016, during the Regular Village Council meeting.

V. ADJOURNMENT

Motion by Gallasch, seconded by Morrow to adjourn the meeting.

Motion was approved unanimously.

There being no further business, the meeting adjourned at 8:50 P.M.

Respectfully submitted,

Gail Beke, Recording Secretary

Eileen H. Pulker, Clerk

James Kochensparger, President