

**VILLAGE OF FRANKLIN
VILLAGE COUNCIL SPECIAL MEETING
MONDAY, MAY 4, 2020, 6:00 PM
VIA ZOOM**

BUDGET PLANNING MEETING

I. CALL TO ORDER

The Special Council Meeting was called to order by President, Pam Hansen, at 6:02 PM, held remotely via Zoom per the Governor's Emergency Order #2020-48.

II. ROLL CALL

Present: Fred Gallasch, Brian Gordon, Pam Hansen, Bill Lamott, Ed Saenz, Mike Seltzer, Mira Stakhiv

Absent: None

Also Present: Roger Fraser, Interim Village Administrator; Eileen Pulker, Village Clerk; Doreen Martin, Deputy Village Clerk; Dan Roberts, Police Chief; Lance Vainik, Treasurer

III. ADOPTION OF AGENDA

**Motion by Gordon, seconded by Stakhiv to adopt the agenda, as presented.
Motion was approved unanimously.**

IV. PUBLIC REQUESTS AND COMMENTS

No public was present, no comments were made.

V. DISCUSSION ITEMS:

A. Proposed Budget

Hansen stated the Finance Committee met a week ago, did an initial review of the Budget, and voiced its concerns to the Village Administrator. Tonight the Administrator walked the Council through the Budget, indicating what was different and Council made comments.

Martin sent Vainik a copy of the latest Budget.

Fraser complimented Pulker and Martin for their assistance with this report. He noted that the pages were numbered (1-20), which had been an issue in the past years.

Page 1

Dept. 000 - Non-Departmental – in most cases there were not significant increases in these line items and in some there were deductions which Fraser pointed out.

402 - Real & Personal Property Taxes – slightly more than 2019-20 Budget

451 - Business Licenses – guesstimated increase due to change in the Ordinance

452 - Misc. Permits, Garage Sales – increase

501 - Community Devel. Blk Grant – increase

539 - Grant Proceeds – decrease (Money for roof was still pending; probably won't be done before the end of this fiscal year. Grant for gutters was separate.)

574 – State Revenue Sharing – decrease (Re: 2019-20 Activity thru' 3/30/20 - payments are usually a few months behind)

575 – Liquor License – decrease (further investigation requested)

- 580 – Cablecast Board Grant – decrease (due to Franchise Fees going down. Stakhiv suggested \$24,000 -\$25,000)
- 607 – Cable TV Franchise Fees – decrease (due to Franchise Fees going down. Stakhiv to look in to)
- 627 – Admin. Charges Act 51 – decrease (unsure how the monies would be used 2020-21)
- 657 – False Alarms – increase
- 664 – Dividends/Ret. of Ins. Premium – decrease (need more information, Mich. Municipal Risk Management Fund)
- 665 – Interest Income – decrease (amount decreased to \$5,000)
- 670 – Kreger House Rental – decrease
- 677 – Franklin Library Reimbursement – no change (Stakhiv stated the increase of 2019-20 activity was due to insurance, Library repays Village)
- 995.002 – Transfer out to Cable TV Board – decrease (Stakhiv explained the “pass through” concept)
- 995.004 – Transfer out to Police Budget – increase (based on assessed value of property)

Stakhiv had questions about the operating millage which was ending in 2020 and if there would be a renewal in the November election? She continued by saying that this issue had not been discussed. Fraser confirmed that it would have to be a question on the ballot.

Page 2

Dept. 101 – Village Council

- 821 – General Engineering Services – decrease (Council’s use for AKT services, not road work)
- 826 – Legal & Related Services – increase to \$20,000, same as 2019-2020 Budget (due to pending law suit expenses)
- 900 – Public Information – increase

Dept. 172 – Administration

- 704 – Administrative Salaries – decrease (Administrator contract salary, ½ of Deputy Clerk)

Gordon questioned if there was a list of “split line” items, i.e. Deputy Clerk/Bldg. Clerk. Fraser answered that once the Clerk position was resolved he would provide a proposal for the staffing of the entire office which would include salaries, benefits, etc. Hansen requested that Office Supplies and Computer Software & Supplies be included on the “split line” items list.

Dept. 215 – Village Clerk

- 810 – Bookkeeping Contracted Services – reduced to 0 and consolidated with **Dept. 253 – Treasury/General Office.**
- 811 – Clerk Contracted Services – decrease (transcription and codification) Hansen was concerned that if there were a FOIA request this might need to be increased.

Page 3

Dept. 253 – Treasury/General Office

- 810 – Bookkeeping Services – increase due to consolidation with Village Clerk Bookkeeping.

Dept. 265 – Building and Grounds

- 810 – Contracted Services – increase due to on-going maintenance associated with the streetscape landscaping and some additional sidewalks; estimation due to contract for landscaping.
- 930 – Broughton House/Repair/Maint/Supplies – decrease, need quote and possible grant request from SHPO for siding.
- 956 – Kreger House Expenses – increase, for utility bills, cleaning, and siding repair.

Dept. 721 – Boards and Commissions

Fraser separated Planning Operations (818) and Master Plan project (819).

- 820 – Historic Study Committee and 824 – Historic District Commission – Hansen suggested speaking with G. Roberts about this. Fraser suggested allocating \$2,000 for both 820 and 824.

Dept. 747 – Community Programs

- 830 – CDBG Expense – slight increase (Village has been allocated this amount).
- 880 – Main Street Expense – remain at \$20,000. Saenz, Stakhiv and Gallasch requested to see a Budget. According to Hansen, for about two-three (2-3) months Jason Dickman, owner of “Just Guys”, has been acting as Executive Director. He and Oakland County had been identifying grant opportunities and distributing grant money and loan information to the Village merchants.
- 882 – NEXT- same as last year, Hansen inquired about Franklin residents’ participation. Gallasch would like to get some feedback from Cris Braun, Executive Director. Pulker, NEXT Board Member, stated there had been some increase.
- 902 – Website Expenses – increase, important way to communicate with the community.

Dept. 851 – General Insurance

- 911 – Liability Insurance & Bonds – slight increase, anticipating some increase.

Dept. 901 – Capital Expenditures

- 980 - Clerk’s Office Furniture & Equipment – slightly less.
- 981 – Admin. Office Furniture & Equipment – increase, to replace desk and chair.
- 982 – Broughton House Improvements – increase, siding repairs.
- 983 – Broughton House Window Rehabilitation – decrease, weatherproofing of windows (Fraser was told the original grant had been closed out.) Need more follow-up. Lamott proposed finding and applying for another grant. It was Hansen’s and Lamott’ s understanding that the original grant included windows and doors. The original grant and contract would be reviewed.

Stakhiv requested Fraser provide the Fund 101 balance totals (2020-2021 Recommended Budget) after today’s discussions.

Page 4

Fund 202 – Major Streets

Dept. 000 – Non-Departmental

- 546 – Motor Veh. Hwy Fund – Act 51 – less than \$200,000 due to the current Covid-19 outbreak and a reduction of the sales tax on gasoline. Suggested reduction would be \$151,000. More research was needed.

- 665 – Interest Income – from Act 51, decreased to \$5,000 per Vainik’s suggestion.
- 682 – Chloride Road Treatment Reimbursement – 14 Mile dust control, Oakland County performed this service and the cost was shared with Bloomfield and Southfield Townships.

Dept. 451 - Streets

818.001 – Road Construction

818.004 – Trees & Shrubs – reduced due to the amount of money spent out of Act 51 funds
Hansen mentioned that a few years ago a Tree Committee had been established to monitor the health of the Village’s trees. She suggested that next year funds be added to this line item. Lamott was in favor of the project; however, scaling down the planting to 20-40 trees. The Tree Survey should be reviewed which Hansen had mentioned and Fraser suggested that out of the amount requested for 2020-21, a Tree Study could be performed. Hansen would like the Tree Study and Tree Inventory be put on the “To Do” List.

Lamott stated that he would like the drainage issues which residents had addressed be put in the Local Streets Budget. Hansen stated that she had been advised that some of the drainage problems were issues on private properties. Lamott brought up example problems, such as on Franklin Rd. between Evelyn Ct. and 14 Mile Rd. which was in the right-of-way and another on Franklin Park Dr. It was agreed that it’s the matter of “who was responsible for what”.

Page 5

Fund 203 – Local Streets

Dept. 000 – Non-Departmental

546 – Highway & Streets, Act 51 MVHF – decrease. Stakhiv questioned the amount of 2019-20 Original Budget as stated on page 5 of the Budget “working” papers. Fraser would research. Stakhiv and Lamott agreed that the proposed figure for the 2020-21 Budget was optimistic.

Dept. 451 – Streets

775 – Traffic Services - decrease

818.000 – General Maintenance – increase due to storm drainage, culverts, new signs, and other issues. Replacement of signs on a local level would be included. D. Roberts stated the HRC Study should be coming. He would contact HRC tomorrow.

818.001 – Road & Street Construction – add \$30,000 to 2020-2021 Recommended Budget to address drainage issues.

Stakhiv wanted assurance that there was enough money allocated in Major Streets to cover any maintenance needed for the Streetscape program. Fraser pointed to the increased amounts in Dept. - 265 Building and Grounds, 101-265-810.000 (Contracted Services)(page 3). He felt that amount would cover the additional items, i.e., landscaping, etc.

818.003 – Winter Maintenance – decrease

Page 6

Fund 206 – Fire

All figures attributed to Chief Averbuch's recommendations and accepted.

Page 7

Fund 207 – Police

Both Stakhiv and Lamott agreed with the recommended amount(s) Chief D. Roberts had provided. Gallasch was in favor of increasing the amounts put into the Retirement Contributions and Retirement Health Care funds. Very little had been contributed last year which meant they were underfunded. Lamott suggested putting an additional \$50,000 into the retirement funds. D. Roberts reminded Council that the figures were calculated in January before the Covid-19 outbreak.

Hansen was interested in how Fraser anticipated increasing those funds to the ideal 60% level which the auditors had recommended. Fraser would be speaking with MERS about funding. Lamott stated that \$600,000 was needed to reach that level.

Dept. 000 – Non-Departmental

656 – Police Fines – According to D. Roberts, since March and the arrival of Covid-19 fines are down. \$5,000 will be inserted in this account.

Lamott complimented D. Roberts on having Police cars and Fire trucks going through the Village celebrating those young residents having birthdays, one of which came by his house today. He wanted the officers and fire fighters to know that these gestures were very much appreciated. D. Roberts noted that there had been 13 such events in the last couple of weeks.

Seltzer called in a question. He had been listening to the meeting and had an issue with the decrease in the Kreger House revenue (page 1, **Dept. 000** Non-Departmental, 670) and the increase of expenses. He would like the \$13,000 expense (page 3, **Dept. 265** Building & Grounds, 956) re-evaluated. He questioned what could be done to mitigate that expense? He felt this was a “White Elephant” that Council had been dealing with for a long time. It was supposed to be “revenue neutral” and in his opinion it was a long way from being “revenue neutral” and never would be. Fraser re-iterated that tonight's discussion was mainly about maintenance: siding and some additional window repair. Seltzer had not seen a plan to increase revenues. It was a Budget item on which he felt Council should focus. He suggested the amount for expenses be re-considered. When asked what dollar amount he would recommend, he replied that he didn't have the financials in front of him to be able to address that. He requested Fraser send him those figures and they could talk and further this discussion at next Council meeting. According to Fraser the Budget would be on the June agenda for Council's full consideration; however, he and Seltzer could talk before it.

Stakhiv reminded Council that the Kreger House usually received a grant from the Cable Board to cover any internet and/or phone services which totaled about \$1,100 - \$1,200 last year. She suggested searching for other grants and added the siding might be a grant opportunity.

Hansen asked Fraser and Pulker to break down the current Kreger expenses to operate it.

Returning back to the discussion about the Police Budget, D. Roberts mentioned that Bingham Farms had no knowledge that an extra \$50,000 might be added to the bottom line. Gallasch recommended that Franklin pay the entire \$50,000 this year. D. Roberts and Fraser would explain to Bingham Farms each community's future obligations to the employees.

Page 8

No Discussion

Page 9

Fund 226 – Garbage and Rubbish

Lamott was concerned about the \$144,457 Ending Fund Balance and stated that \$87,183 (Beginning Fund Balance) was a lot. He suggested taking \$20,000- \$25,000 out of next year's Budget and put it towards revenue in order to lower the millage rate. Fraser made a note of Lamott's comment and would consider it.

Page 10 (Revenues)

Fund 249 – Building Department

Dept. 000 – Non-Departmental

Fraser explained that the Building Revenues had been laid out in groups.

476 – Building Permits/Plan Review – remained the same.

478 – Demolition – decrease of \$100.

Fraser stated that most of the items were unchanged.

487 – Tree Removal Permits – decrease of \$1,000.

489 – Zoning Board of Appeals – increase.

Hansen's question about the ZBA was answered by Gallasch who explained that Bill Dinnan, Building Official, was also the ZBA Facilitator and ran the meetings. Martin further explained that a person who came before the ZBA paid \$200.

Page 11 (Expenses)

704 – Administrative Salaries – includes part of Martin's salary.

All related Insurances to Salaries : 705 – Group Insurance; 706 – Life & Disability Insurance; and
707 – Workers Comp Insurance.

813 – Building Admin. (Post May 2012) Salary – unchanged.

Martin has put together the process and flow chart explaining the different calculations for the different Inspection fees. This would be sent to each Council member.

825 – Code Enforcement Contractor – unchanged. Lamott raised the question about “blight” control of the buildings in the Village. He believed this position should have more funds so as to encourage more activity and keep the Village from looking “shabby”.

Fraser would like to have a general conversation with the Council about this issue of Code Enforcement and, in particular, concerning some buildings in the Village. If more money was needed he would recommend a Budget Amendment at that time. Hansen urged Fraser to put this issue on the Council agenda, as soon as possible.

Page 12

Library

No Discussion.

Page 13

Fraser will do research on this page. Hansen stated this page had been questioned at the Finance Committee meeting. It was on the “To Do” List.

Page 14

Fund 302 – Road Millage Debt

Fraser stated this was an “In and Out” Fund.

Page 15

Fund 401 – Pressure Sewer

Martin did not have any additional comments.

Lamott did not understand the Fund Balances. Vainik would review this fund.

Page 16

Fund 402 – Street Project

Dept. 900 – Street Project 402

Fraser did not know what to do with this page. This was not the Streetscape; however, many members were puzzled about exactly what it was. Gallasch explained this was the money left over from Act 51 money for the Village road work. Fraser would update this page and send it to the Council members. Fraser had an amortization schedule for those who would like to see it. Pulker stated this was just for work on the road and the Debt Service was on Page 14.

Page 17

Fund 542 – Waste Water

This was an “In and Out” Fund.

Page 18

Fund 701 – Trust & Agency

Pulker explained this was Building funds held in escrow until a project was finished. Vainik stated that the escrow balance should be displayed.

Lamott suggested that Paulsen be involved in this discussion. Vainik and others agreed.

Page 19

Fund 703 – Tax Collection

665 - Interest Income

Stakhiv requested Fraser update a document that outlined all the millages with what they are, the start dates, the expiration dates, etc. She had an example from last year.

Fraser verified that this would be on the June 8 Council agenda. Vainik stated there were only eight (8) areas which needed more clarification.

Hansen requested that an updated version of the Budget be ready by the third (3rd) week in May for Council review. If need be there could be a review meeting on June 1, 2020. If the Governor’s “Stay at Home” order was still in place, there might be a possibility to meet at the church, observing the “Social Distancing” Order.

Fraser stated an updated version of the Budget would be sent out around May 15 with a narrative explaining the changes made on what pages and what were the recommendations on how to deal with the last pages.

Stakhiv inquired about the possibility of having a document listing the revenues with the pertinent expenditures so as to define their relationships? This could make things more definitive and easier to understand. She also asked if the “Cash Box” module in BS&A, which the Village didn’t buy, would be helpful (especially for Martin) and/or feasible. There had not been any discussion about that matter. According to Stakhiv, the Village was behind in its technology.

VI. ADJOURNMENT

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

Motion was approved unanimously.

There being no further business, the meeting adjourned at 8:19 PM.

Respectfully submitted,

Gail Beke, Recording Secretary

Eileen H. Pulker, Clerk

Pamela Hansen, President