

**PROCEEDINGS OF VILLAGE OF FRANKLIN
VILLAGE COUNCIL, BUDGET PUBLIC HEARING
FRANKLIN VILLAGE HALL - BROUGHTON HOUSE
32325 FRANKLIN ROAD, FRANKLIN, MICHIGAN 48025
MONDAY, JUNE 2, 2003, 7:00 P.M.**

I. CALL TO ORDER

The meeting for the Consideration of the 2003-2004 Budget was called to order by President Pikulas at that Franklin Village Office Building, Franklin, Michigan, at 7:05 p.m.

II. ROLL CALL

Present: Randy McElroy, Florence Saltzman, James Pikulas, Ralph Sosin, Fred Gallasch, Brian Coyer, Alan Harnisch.

In Attendance: Edward Glomb, Police Chief
Jon Stoppels, Village Administrator
Eileen Pulker, Village Clerk
Juanita Ludke, Finance Clerk

III. ADOPTION OF AGENDA

Motion by McElroy, supported by Sosin, to adopt the agenda as presented.

Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer, Harnisch
Nays: None
Motion carried.

IV. CONSIDER APPOINTMENT OF TREASURER

Pikulas introduced Mr. Dominick J. Schiano to the Council and audience as a candidate for the position of Treasurer. The Council reviewed his biography and discussed his credentials, explaining the duties of the Treasurer to him as well. Saltzman asked how long Mr. Schiano has lived in the Village, he replied since 1997.

#2003-48 Motion by Sosin, supported by McElroy, to appoint Mr. Dominick J. Schiano as the Treasurer of the Village of Franklin.

Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer, Harnisch
Nays: None
Motion carried.

V. ADMINISTRATOR'S BUDGET PRESENTATION

Stoppels first gave the Council updated copies of the first two pages in the proposal, stating that none of the inaccuracies within the proposal, the now corrected total figures on the summary pages, would affect the approval of the proposed budget. Stoppels reported his findings and referred Council to the Budget report made during the Regular Council Meeting of May 15, 2003.

Stoppels made note of these points in the budget:

- the budget was balanced, the taxable values had gone up and the millage rate had gone down, so the taxes are going to be lower. Stoppels stated that the main reason behind the .5 mill reduction in taxes came from the refinanced bond and lower payments on the debt service for the Village for the coming year. The debt service payments will go up over the next couple of years, however the taxable value of property will most likely increase as well, and continue to balance out the loan repayments, so the millage rates should continue to stay low, based on his preliminary five year budget figures.
- The Village has saved money by refinancing one of the bonds held for the sewer system work dated 1994, while interest rates are low, saving \$25,000 a year over the remaining years of the bond.
- For a second year in a row, the Village has an AA+ bond rating, despite the fact that the Village has a significant amount of debt.

VI. Fiscal Year 2003-2004 BUDGET PUBLIC HEARING

A. Open Public Hearing

#2003-49 Motion by Gallasch, supported by Sosin, to open the Public Hearing on the Budget for the Fiscal Year 2003-2004.

**Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer,
Harnisch**

Nays: None

Motion carried.

B. Public Comments on Budget

No comments at this time.

C. Council Comments

Gallasch noted on page 4 that there should be a comparison between the 2002-2003 and 2003-2004 budgets to show how the millage had changed proportionately from the previous year to the New Year.

Coyer also asked questions about the comparisons between budget years, specifically referencing the millage increase in the fire protection fund.

Pikulas made note of the value of one mil at \$244,000.00.

Coyer asked about the Special Assessment District (SAD) portion of the Police Fund. Both Stoppels and Chief Glomb answered, stating that at the request of the auditors, the negative line item in question is in regard to a Special Assessment District requiring two police officers to ride in a police car, and Chief Glomb created a separate budget for the SAD. Budget cutbacks caused the Police Department to hold off on purchasing a new car, and the auditors requested that a negative line item be placed to mark that.

Coyer questioned what millage was allowed for the 2003-2004 Fire Protection Fund, how close the fund was to that limit, and what the projected 2004-2005 millage might be. The original supplied to the fund was 1.5 mills, the maximum allowed is 1.0016 due to Headlee rollbacks. Stoppels stated that the Fire Department is requesting .94, so the fund has just about half a mil left available in this Budget Year. As far as projecting into 2004-2005, there is no way to predict the multiplying factor for the Headlee rollback, but Stoppels has projected generating .986 mills in the next budget year.

D. Public Hearing Closed

#2003- 50 Motion by McElroy, supported by Councilman Harnisch to close the Public Hearing on the Budget for the Fiscal Year 2003-2004.

**Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer
Harnisch**

Nays: None

Motion carried.

VII. CONSIDER ADOPTION OF FISCAL YEAR 2003-2004 BUDGET

#2003-51 Motion by Gallasch, supported by Harnisch, to Adopt the Budget for the Fiscal Year 2003-2004 as submitted with the revised pages.

Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer, Harnisch

Nays: None

Motion carried.

VIII. CONSIDER AMENDING OF FISCAL YEAR 2002-2003 ADOPTED BUDGET.

Pikulas and McElroy explained the need to amend the budget for accounting purposes, due to budget cutbacks and reduced revenue sharing, and to keep the auditors' comments to the minimum in this year's audit.

McElroy pointed out that the payments to the Cable Board have dropped, due to the decision that the Village could not be billed for both Cable Television and Internet, however, they can only be billed for the television portion. Therefore, the residents' payments drop, decreasing the revenue, but since the Village does not have to pay as much to the Cable Board, the expenditure amount goes down as well.

#2003- 52 Motion by Sosin supported by McElroy to approve the Fiscal Year 2002-2003 Budget Amendments as follows:

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 General Fund indicates several accounts where budget amendments are required. We resolve that the following budget amendments be made to the 2002/2003 General Fund budget with funds coming from the appropriation of other funds.

Accounts:

- 000452 Cable TV royalties: Decrease revenue account to a total of \$30,000 (original \$60,000).
- 000454 Utility easement income: Increase revenue account to a total of \$11,300 (original \$300).
- 000628 other dept salaries from bldg: Increase revenue account to a total of \$20,150 (original \$0).
- 000677 Franklin library reimbursement: Increase revenue account to a total of \$3,600 (original \$1,500).
- 000574 State Revenue Sharing: Decrease revenue account to a total of \$233,500 (original \$251,445).
- 000690 Grant Proceeds: Increase revenue account to a total of \$11,000 (original \$8,000) - CDBG
- 854969 Transfer from Police Construction Fund: Increase revenue account to a total of \$19,200 (original \$0).
- 101720 Payments to cable cast board: Decrease expenditure account to \$20,000 (original \$35,000).
- 101819 Master Plan: Decrease expenditure account to \$0 (original \$25,000).
- 101825 Water: Increase expenditure account to \$10,000 (original \$0).
- 211826 legal & related services: Decrease expenditure account to a total of \$60,000 (original \$75,000).

Administrator:

- 102704 administrator salary: Increase expenditure account to a total of \$153,000 (original \$133,000).- funds to be transferred from Building Dept Fund
- 102706 life & disability insurance: Increase expenditure account to a total of \$4,500 (original \$3,000).
- 102710 Contracted Services: Decrease expenditure account to a total of \$0 (original \$10,000). -reapportioning expenses to Village Hall accounts
- 102735 training expenses: Decrease expenditure account to a total of \$600 (original \$1,500).
- 102853 Communication Expense: Decrease expenditure account to a total of \$700 (original \$4,500)
- 102920 Utilities: Decrease expenditure account to a total of \$0 (original \$2,500).- to Village Hall
- 102930 Repairs, Maintenance, Supplies: Decrease expenditure account to a total of \$0 (original \$2,500). - to Village Hall

Village Clerk:

- 215705 group insurance: Increase expenditure account to a total of \$3,200 (original \$2,000).
- 215706 life & disability insurance: Increase expenditure account to a total of \$500 (original \$150).
- 215708 retirement contributions: Increase expenditure account to a total of \$2,300 (original \$1,000).
- 215710 Contracted Services: Decrease expenditure account to a total of \$12,000 (original \$15,000).
- 215853 Telephone: Decrease expenditure account to a total of \$0 (original \$2,250) - to Village Hall Accounts.
- 215920 Utilities: Decrease expenditure account to a total of \$0 (original \$1,250) - to Village Hall.
- 215930 repairs, maintenance, & supplies: Decrease expenditure account to a total of \$0 (original \$500) - to Village Hall.
- 215980 office furniture & equipment: Decrease expenditure account to a total of \$500 (original \$1,500).

Other Accounts:

- 854965 Transfer to Municipal Street: Decrease expenditure account to a total of \$0 (original \$25,000) - to eliminate account.
- 854967 Broughton House Fund: Decrease revenue account to a total of \$0 (original \$25,000) - to eliminate account
- 405710 Village Hall Contract Services: Increase expenditure account to a total of \$18,000 (original \$0) - adjusting accounts at Auditor's request.
- 405853 Village Hall Communications: Increase expenditure account to a total of \$12,000 (original \$0) - adjusting accounts
- 405920 Village Hall Utilities: Increase expenditure account to a total of \$5,000 (original \$0) - adjusting accounts

- 405930 Village Hall Repairs/Maint/Supplies: Decrease expenditure account to a total of \$9,000 (original \$25,000).
- 405937 Village Hall Bldg Dept Overhead: Decrease expenditure account to a total of (\$12,000 - actually income) (original \$0).
- 6999 Uncategorized expense (bank fees & bad debt): Increase expenditure account to a total of \$10,000 (original \$2,500) - to include prior year estimates vs. final settlement (i.e. building dept issues).
- 865910 liability insurance and bonds: Decrease expenditure account to a total of \$25,200 (original \$37,500).
- 875000 Broughton House improvements: Increase expenditure account to a total of \$25,000 (original \$0).
- 875830 CDBG expense: Increase expenditure account to a total of \$11,000 (original \$8,000).

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 Building Department Fund indicates several accounts where budget amendments are required. We resolve that the following budget amendments be made to the 2002/2003 Building Department Fund budget with funds coming from the appropriation of other funds.

- 476 Building Permits: Increase revenue account to a total of \$285,675 (original \$275,000).
- 704 Clerical Salaries: Decrease expenditure account to a total of \$36,200 (original \$48,300).
- 720 Administrative Services: Increase expenditure account to a total of \$14,400 (original \$0).
- 900 Overhead: Decrease expenditure account to a total of \$12,000 (original \$5,000) - transfer to Village Hall.
- 000910 liability insurance: Increase expenditure account to a total of \$11,300 (original \$9,500).
- 920 Utilities: Decrease expenditure account to a total of \$0 (original \$1,250) - transfer to Village Hall.
- 926 legal: Increase expenditure account to a total of \$5,000 (original \$1,000) - includes Ordinance revisions and enforcement.
- 927 Office Supplies: Increase expenditure account to a total of \$1,500 (original \$1,300).
- 930 Repairs, Maint & Supplies: Decrease expenditure account to a total of \$0 (original \$500) - to Village Hall.
- 953 Telephones: Decrease expenditure account to a total of \$0 (original \$2,250) - to Village Hall.

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 Major Street Fund indicates several accounts where budget amendments are required. We resolve that the following budget amendments be made to the 2002/2003 Major Street Fund budget with funds coming from the appropriation of other funds.

584 Transfer from Municipal Street Fund: Decrease expenditure account to a total of \$0 (original \$4,000) - eliminating fund.

965965 Transfer to Local Street Fund: Increase expenditure account to a total of \$45,000 (original \$0).

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 Local Street Fund indicates one account where a budget amendment is required. We resolve that the following budget amendment be made to the 2002/2003 Local Street Fund budget with funds coming from the appropriation of other funds.

583 Transfer from Municipal Street Fund: Decrease revenue account to a total of \$0 (original \$18,000) - eliminating fund.

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 Municipal Street Fund indicates several accounts where budget amendments are required. We resolve that the following budget amendments be made to the 2002/2003 Municipal Street Fund budget with funds coming from the appropriation of other funds.

581 Transfer from General Fund: Decrease revenue account to a total of \$0 (original \$25,000) - eliminating fund.

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 Garbage & Rubbish Fund indicates one account where a budget amendment is required. We resolve that the following budget amendment be made to the 2002/2003 Garbage & Rubbish budget with funds coming from the appropriation of other funds.

999 Appropriation of Prior Year Fund Balance: Increase revenue account to a total of \$53,352 (original \$0).

Whereas: The Village must assure that expenditures in each account do not exceed those budgeted. A review of the Village's 2002/2003 Waste Water Fund indicates one account where a budget amendment is required. We resolve that the following budget amendment be made to the 2002/2003 Waste Water budget with funds coming from the appropriation of other funds.

483 Environmental Grant: Increase revenue account to a total of \$10,100 (original \$0).

Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer, Harnisch

Nays: None

Motion carried.

IX. ADJOURNMENT:

Motion by Coyer, supported by McElroy, to adjourn the meeting.

Ayes: McElroy, Saltzman, Pikulas, Sosin, Gallasch, Coyer, Harnisch

Nays: None

Motion carried.

There being no further business, the meeting adjourned at 7:39 p.m.

Respectfully submitted,

John C. Pulker
Recording Secretary

Eileen H. Pulker
Village Clerk

James A. Pikulas
Village Council President