

**City of Northville**  
**CITY COUNCIL SPECIAL MEETING MINUTES**  
**May 24, 2010**

Mayor Johnson called the meeting to order with the Pledge of Allegiance at 7:00 p.m. in the City of Northville Municipal Building, City Council Chambers, 215 W. Main Street, Northville, Michigan, 48167.

**ROLL CALL**

**Present:** Mayor Christopher Johnson, Mayor Pro Tem James Allen, Councilmembers Douglas Bingham, Nancy Darga, Michele Fecht

**Absent:** None

**Also Present:** City Manager Patrick Sullivan, Assistant City Manager/Finance Director Nicolette Bateson, Assistant Finance Director Sandi Wiktorowski, Director of Public Works James Gallogly, City Clerk Dianne Massa, Youth Assistance Director Sue Campbell, Housing Director Sherry Necelis, Fire Chief James Allen, Police Chief Gary Goss, Parks and Recreation Director Traci Sincock, reporter from the Northville Record, and three citizens

**CITIZENS COMMENTS** None

**APPROVAL OF AGENDA AND CONSENT AGENDA**

**Motion Allen, seconded by Fecht** to approve the agenda as presented. **Motion carried unanimously.**

**BUDGET COMMITTEE CHARGE AND TIMELINE**

Facing budget shortfalls of \$1.1 million in FY 2011, and \$639,000 in FY 2010, the City Council has recently struggled to make adjustments in the range of 26% to balance the General Fund Budget. The FY 2011 Budget draws \$368,225 (15.6%) from the General Fund Balance and fails to increase the annual required contribution to the Post Retirement Healthcare Fund of \$594,793.

Declining property values, a deflationary (negative) inflation rate multiplier, cuts in state revenue sharing, and revenue losses in almost every category have contributed heavily to the current problem. With economic projections showing no quick turnaround, and considering the limiting effects of the Headlee Amendment and Proposal A, which will limit any future increases to the rate of inflation, it is apparent that the City will need long term, structural change to its budgets to remain solvent. Such change, either in terms of expenditure cuts, or revenue increases will have a significant and noticeable impact on the Community.

City Council has indicated that it is necessary to engage a larger group of stakeholders in order to establish a dialogue with the Community, communicate the options available to the City, and recommend solutions. Such a Committee would be charged with assembling a knowledge base regarding the City's

finances and options, presenting information to the public, and gathering public input on options and priorities, and presenting recommendations for long term fiscal stability.

The proposed task list for the Northville Budget Committee was outlined as follows:

### **1. Education Phase**

Develop a basic understanding of City finances and the economic/statutory forces impacting our finances, and the actions the City has already taken in response.

- Plante & Moran 3 legged stool – Budget Primer
- Organization/Operational Study
- City Departmental Reports
- Financial Projections – Scenarios for impact on City budgets, with or without additional revenue.
- What are other Communities doing?

### **2. Communication Phase**

Provide a mechanism to disseminate pertinent information to the public, gather public input, and establish budget priorities. Determine community support for current service levels and develop recommendations for change based on the appropriate service levels. Consideration may be given to revenue enhancement strategies.

### **3. Recommendation Phase**

Develop recommendations and strategies that produce balanced budgets in the long term, with an eye toward preserving essential City services.

The preliminary schedule of Committee activities included:

**May/June** Staff assembles informational materials from other communities that have gone through similar processes.

Staff refines long term financial projections.

**July 6** Council appoints Committee members.

**Meetings 1 and 2** Committee Education

- City’s financial history and budget primer.
- Effects of Headlee, Propoal A, Revenue Sharing, etc.
- Organizational and Operations Study Findings.
- Cuts implemented to date.
- Reports from Department Heads.
- What other communities have done.

**Meeting 3** Examine projected budget scenarios with and without revenue increase.

**Meeting 4** Present and discuss preliminary recommendations.

**Meeting 5** Finalize recommendations to City Council.

Council Comments and Discussion: Key comments, discussion, and questions included:

### Meetings and meeting schedules

- A reluctance to set a specific meeting schedule; the Committee should schedule the amount of meetings it feels are necessary to complete its tasks and make its report and recommendation to City Council.
- In order to meet the FY 2012 budget schedule, there was consensus that the Committee should complete its work and report its recommendations to City Council by October 15, 2010.
- A majority of the meetings will be held during the summer. Committee members should take this into consideration before committing to serve.
- It was requested that the City Manager develop a list of meeting dates for other boards and commissions, the Township Board of Trustees, and the Board of Education, to try to avoid conflict with other meetings when possible.

### Meeting expectations

- Comments noting that the Committee must also look at various operational scenarios and not just tax strategies such as a Headlee Amendment.
- Discussion on the role of the City Council as it pertains to the Committee. Following the discussion, there was consensus that the City Council would not attend the Committee meetings (other than the educational meeting).
- Comments voiced the belief that the Council should distance itself and not micro-manage in order to allow the Committee to be independent and not drive the direction of the Committee. The meetings need to be community driven without City Council influence.
- Comments voicing the importance of the City Manager facilitating the educational meeting. Staff will be available to help and assist the Committee as needed.
- Suggestion to expend funds to have minutes taken so that City Council can see how the discussion evolved.

### Committee make up

- Discussion ensued pertaining to who would chair the Committee.
- Committee members should include certain areas of expertise (i.e. labor unions, youth, seniors, real estate, planning, recreation, police, judicial, etc.)
- For more broad representation, Committee members should represent all geographic areas of the City.
- Suggestion that Councilmembers forward their recommendations for a Committee Chairperson to the Mayor or City Manager. Consensus that the chairperson should not be a City Councilmember or City staff.
- Comments suggesting the Committee chairperson not be a City resident as this would remove bias. The chairperson would be there as a resource person offering expertise for the Committee.
- Suggestion that the Committee also have a vice-chairperson.

### Miscellaneous

- Need to ask the Committee how they wish to receive information and input.
- Is a community survey beneficial and what would be the budget impact to implement a community survey via US mail.
- The need to define the appropriate communication tool.
- Should the Committee have a budget?
- Staff is assembling educational materials and long-term financial projections.

- The belief that once Staff goes through its review, it will be evident what services cost and what revenue is projected. Staff will define the magnitude of the budget problem and give options. The Committee will have a clean slate to come up with its recommendations.
- Question on if the City has any assets that can be sold to raise revenue? It was noted that by City Charter, the sale of park land requires 3/5's approval by the voters.
- The Committee will determine what are the community needs, how would the community fund those needs, and what is the most palatable solution.

Next steps

- The need to identify persons to serve on the Committee.
- City Council should forward its recommendations to the Mayor or City Manager. Recommendations should include the person's connection, area of expertise, and what they would bring to the Committee. Appointments would be made at the July 6<sup>th</sup> City Council meeting.
- The City Manager will summarize the information plan and place it on the June 7<sup>th</sup> City Council agenda.

**COMMUNICATIONS**

**A. Mayor and Council Communications** None

**B. Staff Communications** None

There being no further business to come before Council, the meeting was adjourned.

**Adjournment: 8:05 p.m.**

Respectfully submitted,

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Dianne Massa, CMC  
City Clerk

Approved as submitted: 6/7/2010

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Christopher J. Johnson  
Mayor