

**City of Northville**  
**CITY COUNCIL SPECIAL MEETING MINUTES**  
**April 28, 2014**

Mayor Johnson called the meeting to order at 7:01 p.m. in the Northville City Hall Council Chambers, 215 West Main Street, Northville, Michigan.

**CALL TO ORDER**

**Present:** Mayor Christopher Johnson, Mayor Pro Tem James Allen, Councilmember Sam Ekong

**Absent** Councilmember Nancy Darga (excused)  
Councilmember Ryan McKindles (excused)

**Also Present:** City Manager Patrick Sullivan, Finance Director/Treasurer Sandi Wiktorowski, City Clerk Dianne Massa, Accountant Nancy Piwowar, Financial Analyst/Deputy Treasurer Cindy Kushner, DPW Director James Gallogly, Housing Director Sherry Necelis, Parks and Recreation Director Jason Spiller, Youth Assistance Director Sue Campbell, DDA Executive Director Lori Ward, Arts Commission member Sue Taylor, Art House Manager Joan Potter-Thomas, Police Chief Gary Goss, DDA Member Carolann Ayers. There were no citizens present

**PRESENTATIONS**

**A. Citizen Comments** None

**APPROVAL OF AGENDA**

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

**FY 2014-2015 BUDGET REVIEW**

Arts Commission Fund (page V – 26): A brief summary of the programs and activities that the Art Commission budget supports was provided. Four potential new revenue programs are currently being developed. The sustainability of the Arts Commission is dependent upon the success of the new proposed programs as well as an aggressive approach to fundraising and grants. It is difficult to change the perception that the Arts Commission is city-funded. The Arts Commission noted that with the passing of Gerry Culpepper, Bob Taylor has agreed to assist the Commission with financial matters.

Housing Commission Fund (page V-43): A 1.53% rent increase was proposed for the one-bedroom apartments which would increase the rent from \$665 to \$675. No increase is proposed for the two two-bedroom apartments. The proposed rent increase is necessary to augment the

replacement reserve in support of future capital improvements, utility expense increases, and insurance expense increases.

Brief discussion and comments pertained to the proposed rent increase and it was noted that the proposed revenue increase of \$11,760 is based on full-year capacity.

**Motion Allen, seconded by Ekong** to authorize staff to approve a rent increase proposal for FY2015 of 1.53% from \$665 to \$675 for 98 one-bedroom apartments and the two two-bedroom apartments will remain the same, effective July 1, 2014. **Motion carried unanimously.**

Housing Commission Capital Outlay Fund (VIII-7): Proposed for FY2015 is the replacement of the front entrance concrete patio, make up air units, and improvements to the roof ventilation.

Housing Debt Retirement Fund (VII-10): The debt service payment for the renovation bond is \$96,086, with the final payment due in October 2022.

Public Improvement Fund (V-37): This fund receives breakage revenue from Northville Downs' activity from live and simulcast racing. Racetrack breakage revenue is recorded in the Public Improvement Fund when received to the extent that it exceeds the cost of providing police service at the racetrack. The breakage revenue in this fund is used to finance public improvement projects. This fund is also used to record various capital improvement projects, grant activity, property acquisitions, and the related rental revenue and expenditures.

Questions pertained to the upcoming dam repair.

General Fund: Police Department (IV-44): The proposed budget increases by 1.5% and is designed to maintain current emergency service levels. It is anticipated that the Department will be back to full staffing for FY2015 after several years of shortages due to retirements and personal leave.

Police Equipment Replacement Fund (VIII-4): Proposed for replacement is two patrol vehicles, one of which was deferred from FY2014. Also proposed are the in-car and portable radios and the LIDAR laser radar unit.

Refuse and Recycling Fund (page VI-1): The fund is divided into two basic programs, which are residential and commercial. This is an Enterprise Fund, which is designed to be funded entirely by the fees charged to the customers receiving the service. A five-year contract extension was approved for Waste Management, extending their contract until 2017. Even with a favorable bid from Waste Management in 2012, other costs in the residential program have increased. The current bi-monthly rate of \$31.81 is proposed to increase 1.54% to \$32.30.

Staff is also analyzing the prospect of beginning a new bush chipping program throughout residential areas. The program would provide monthly chipping of branches and tree limbs left at the curb for removal. If deemed a worthwhile program, it will be brought forward to Council for approval and a potential increase to the residential rate.

The Commercial program cost is proposed to increase in order to provide for more frequent pick up and to also have the driver pick up trash that is not placed in the dumpster. The contractor will add these services to the existing contract for an additional \$12,000 per year.

Discussion ensued pertaining to the residential brush program and Council was open to the increased pick up. Comments also voiced support to the proposed changes to the commercial program and also suggested using the new security cameras to identify dumping offenders.

Water and Sewer Fund (page VI – 9): The operating budget remains consistent with the previous year. Last year's cost increase of 22.7% imposed by Detroit Water and Sewer was not fully passed on to the system users. It is proposed the City increase the water 4.1% effective July 1, 2014. The service charge would increase 4.9% to offset the cost of reading meters and billing.

Wayne County is the provider of sanitary sewer service for the City of Northville. Due to proposed capital improvements for the Rouge Valley Sewerage Disposal System, the City is proposing a 13.1% increase to cover upcoming capital improvements.

Brief discussion ensued pertaining to the need to explain the rate increase to residents, noting that the City is only passing on 4.1% of the 22% increase imposed by DWSD last year. The budget is also setting aside funds for future improvement projects.

Water and Sewer Rate Adjustments: The Water and Sewer Fund financial analysis has been completed as part of the FY 2015 Budget process and was reviewed by the Northville City Council. Based upon the proposed budget, the rate structure proposed, with an effective date of July 1, 2014, is shown in the table below.

| Type                         | Current Rate | Proposed Rate | Adjustment %                          |
|------------------------------|--------------|---------------|---------------------------------------|
| Water (per unit)             | 5.60         | 5.83          | \$0.23 per unit,<br>a 4.1% increase   |
| Sewer (per unit)             | 4.75         | 5.37          | \$0.62 per unit,<br>a 13.1% increase  |
| Service Charge (bi-monthly)  | 7.42         | 7.78          | \$0.36 bi-monthly,<br>a 4.9% increase |
| Sewer -Dual Meter (per unit) | 2.90         | 3.38          | \$0.48 per unit,<br>a 16.6% increase  |

**Motion Ekong, seconded by Allen** to adopt the resolution providing for the following rates with a proposed effective date of July 1, 2014.

- Water: \$5.83/unit
- Sewer: \$5.37/unit
- Sewer (Dual Meter): \$3.38/unit
- Service Charge: \$7.78/bi-monthly

**Motion carried unanimously.**

Equipment Fund (page IX -8): This fund provides for the maintenance, repair and replacement of City-owned equipment. The major source of revenue for this fund comes from internal equipment rental charges. These charges are determined using published Michigan Department of Transportation equipment rates, which are updated annually. The operating budget is consistent with previous years. The proposed budget includes the purchase of a front snow plow attachment and a one-ton dump truck. This replaces a 2000 truck destroyed in a vehicle fire in January 2014.

Parks and Recreation Commission (page C – 5): The FY2015 budget was prepared with no change in the combined municipal contribution from FY2014 levels.

Parks and Recreation Capital Outlay Fund (page C – 30): This fund is used to record the capital improvement projects and property development expenditures for the Parks and Recreation Department. The purchase of a utility vehicle for the parks is planned for FY2015.

Senior Adult Services Fund (page C– 35): Integration of senior programs and services with general recreation programming will continue in FY2015 in order to eliminate duplicated programs and have more effective use of Department resources. Facility rental opportunities are continually explored to help increase building use and revenue. Funds are proposed to be transferred annually to the Senior Adult Services Capital Outlay Fund to reserve funds for future building improvement needs. The FY2015 operating transfer of funds into the Senior Adult Services Capital Outlay Fund is \$20,000.

Senior Adult Services Capital Outlay Fund (page C–44): As donations and contributions are made to the Senior Services program that are intended for long term investment purposes, the revenue and expenditure activity will be recorded in this section of the budget. An annual operating transfer from the Senior Adult Services Fund is recorded in this fund to reserve funds for future building improvements. There are no planned improvements for FY2015.

Brief discussion ensued pertaining to the upcoming Northville Community Center roof repair/replacement.

Northville Youth Assistance (page C – 47): Northville Youth Assistance is funded through a shared service agreement with the Charter Township of Northville and is on a calendar-year fiscal year. The current budget is approved through December 31, 2014. The NYA operational budget shows an operating shortfall of \$40,030 for CY2014. Revenues are projected to continue to fall below operating expenditures through 2017, causing unrestricted fund balance to be depleted. The projected annual shortfall will be discussion during Northville Township's next budget cycle.

Brief discussion pertained to Northville Township's upcoming millage renewal proposal and how failure of this millage renewal would impact the Shared Services.

Downtown Development Authority (page B-1): The captured value for the DDA declined 6.9% from last year. The small business exemption for personal property with taxable values of less than \$40,000 took effect. The total loss in revenue is \$48,716.

Comments and questions focused on proposed legislation to decrease and and/or phase out Downtown Development Authorities and Tax Increment Finance Authorities.

Downtown Development Authority Debt Service Fund (page VII-7): Debt service requirements for FY2015 are \$169,585. The contribution from the DDA is equal to that amount to cover the debt service expenditures.

Review of Proposed FY2015 Millage Rate: No changes were requested to the proposed FY2015 millage rate. City Council commended Staff for its work in preparing and presenting a balanced budget document.

**MAYOR AND COUNCIL 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: 8:13 p.m.**

Respectfully submitted,

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Dianne Massa, CMC  
City Clerk

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Christopher J. Johnson  
Mayor

Approved as submitted: 5/19/2014