

City of Northville
CITY COUNCIL SPECIAL MEETING MINUTES
April 14, 2015

Mayor Johnson called the meeting to order at 7:00 p.m. in the Northville City Hall Council Chambers, 215 West Main Street, Northville, Michigan, 48167.

CALL TO ORDER

Present: Mayor Christopher Johnson, Mayor Pro Tem James Allen, and 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, Fire Chief Stephen Ott, Police Chief Michael Carlson, Assessor Karolynn Pargo, and Downtown Development Authority Executive Director Lori Ward. No citizens were present.

PRESENTATIONS

A. Citizen Comments None

APPROVAL OF AGENDA

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

FY 2015-2016 BUDGET REVIEW

Budget Message and Overview (I-1 through I-14)

The City Manager summarized the FY2016 budget message. The Northville City Council is being presented with a stable, consistent, and balanced budget. Areas of the Budget Message covered continued cost control implementation, personnel costs, healthcare costs, pension plan obligations, post retirement healthcare benefits, property taxes, personal property taxes, state-shared revenue, fire services, enterprise fund services, and the Capital Improvement Program.

Assessment Cycle and Tax Base Analysis (Section X)

Detailed property tax analysis was included in the budget document. The March Board of Review received a total of 32 appeals. A brief explanation of how Taxable Value is determined was provided. Assessed value has increased 10.35% from 2014 while Taxable value has increased 4.13%. With the Headlee Roll Back Formula, the City Charter authorized maximum millage rate of 20 mills has been rolled back to 14.0804 mills for the 2015 tax year. In 2014 out of 184 total transfers of property ownership, two property transfers were related to foreclosure. Net adjustments for commercial property were reviewed.

Brief discussion ensued pertaining to the small business exemption for personal property with taxable values of less than \$40,000 and anticipated changes to the statute; the March Board of Review and subsequent Michigan Tax Tribunal process; an overview and outcome of recent Tax Tribunal appeals, and the Headlee Amendment's maximum and its effect on the City's millage rate.

General Fund Summary and Revenues (pages IV-1 - IV-14)

The General Fund accounts for all police, fire, public works, planning and zoning, and administrative functions of City government. The overall proposed General Fund budget reflects an increase of \$125,000 or 1.87% from last year. The taxable values for FY2016 are continuing a slow, upward trend, providing for approximately \$204,000 of additional tax revenue. The proposed budget reflects no change to the general operating millage rate of 13.5864 mills. The cost containment initiative established five years ago will continue and will focus on long-term cost savings. The primary source of General Fund revenue is property tax at 68.5% of total revenue.

General Fund Expenditures (Section IV)

City staff presented a very brief overview of changes and responded to questions from City Council on the proposed FY2015 budget and five year projected budget. Key items, questions, and discussion included:

City Council (page IV-15): The proposed budget remains consistent with the prior year and increases are mainly due to membership and dues fees.

City Manager (page IV-19): The proposed budget remains consistent with the prior year.

Elections (page IV-22): The budget provides for the administration of the November odd-year and Presidential Primary elections. The budget does not include funds for additional elections.

Questions pertained to the cost for a special election and if the City could add a ballot question to the March 2016 Presidential Primary election ballot. The City Manager noted following the outcome of the May 5th statewide sales tax election, Staff would be presenting road funding options to City Council for its consideration.

City Attorney (page IV-26): Legal services decrease by approximately 16% due to two special projects that occurred in the prior fiscal year. Discussion pertained to the cost of legal services for labor and worker's compensation issues.

City Clerk (page IV-28): The proposed budget is consistent with previous years.

Finance and Administrative Services (page IV-31): The proposed budget increases 2.2%, which is directly related to retiree pension and healthcare costs.

Tax and Assessing (page IV-35): The proposed budget shows a decrease of 1.6% primarily due to additional tax appeal assistance required in the prior fiscal year. All other line items remain consistent.

Police (page IV-48): The proposed budget increases by 1.96% and is designed to maintain current emergency service levels. In addition, \$12,500 has been budgeted for temporary assistance to organize and assist in records and administrative duties.

Fire (page IV-55): The proposed budget includes the additional costs for providing fire service to the City of Plymouth. Costs will be reimbursed by the City of Plymouth based upon a pro-rata share of runs in the prior fiscal year, or 58%, consistent with the prior year.

It was noted that the Fire Board reviewed and approved the FY2016 budget.

Technology (page IV-62): The proposed budget is a decrease of 30% from the prior budget year, due to investment in capital purchases the prior year.

Planning, Zoning, and Inspection Services (page 1V-70): The proposed budget provides for the continuation of contracting Building Official services, building inspections, tree preservation administration, and zoning ordinance administration with Carlisle/Wortman – Code Enforcement Services Division. It also provides for the continuation of contracted services to assist the Planning Commission, Historic District Commission, and the Board of Zoning Appeals.

Discussion ensued pertaining to the costs for contracting Building Official services and if the City would be able to sustain these costs. It was explained that Staff will be coming to City Council with a proposal that should decrease the overall cost for services. It will take at least a year to see if the City will recognize a cost and service benefit by contracting these services with Code Enforcement Services. The City's Building Official position is unique in the fact that it requires not only knowledge of building codes, but zoning ordinances, historic designs and historic standards, and tree preservation.

Shared Services (page IV-78): Contribution levels for Parks and Recreation, Senior Adult Services, and Northville Youth Assistance increase slightly as the City's share increases from 16.0% to 16.1%.

Contributions to Other Funds (page IV-80): The activity represents transfers to other funds for operating activities, debt service, and capital equipment and/or project needs.

Further explanation was given pertaining to the Allen Terrace Operating Fund.

Debt Service (page IV-82): The City attempts to purchase capital items on a pay-as-you go basis whenever possible. However, it is anticipated that bonds will be issued to replace three fire trucks in fiscal year 2016. Debt service payments related to those bonds would begin with FY2017.

Insurance, Central Supplies, and Unallocated Reserves (page IV-84): The proposed budgets are consistent with previous years.

Public Improvement Fund (V-37): Once police and fire service costs at the racetrack have been met, the next \$60,000 is allocated equally to the Police and Fire Equipment Replacement Funds. This additional funding will decrease transfer from, and lessen the burden on the General Fund. Any additional funds received for a given fiscal year will be brought to the City Council to be designated after that year's annual audit is completed.

Fire Equipment and Replacement Fund (page VIII-1): The budget includes revenues and expenditures for future equipment needed based upon partnering with the City of Plymouth. The Fund will continue to be used for the replacement of equipment as scheduled in the 20-year plan. Discussion ensued pertaining to the proposed plan to bond for the replacement of a fire truck.

Police Equipment Replacement Fund (page VIII-4): The budget includes the replacement of two patrol vehicles, sidearms, radar trailer, in-car radar units, tasers, five portable radios, and two car radios.

Discussion ensued pertaining to the radar trailer replacement. While the newer radar “sign” device option available is more portable as they can be attached to speed limit signs, at this time the radar trailer is more desirable as it also has the capability to collect data. The radar sign device does not collect data.

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: 8:21 p.m.

Respectfully submitted,

Dianne Massa, CMC
City Clerk

Christopher J. Johnson
Mayor

Approved as submitted: 05/04/2015