

**City of Northville**  
**CITY COUNCIL SPECIAL MEETING MINUTES**  
**April 10, 2014**

Mayor Johnson called the meeting to order at 7:02 p.m. in the Northville City Hall Council Chambers, 215 West Main Street, Northville, Michigan, 48167.

**CALL TO ORDER**

**Present:** Mayor Christopher Johnson, Councilmembers Sam Ekong and Ryan McKindles

**Absent:** Mayor Pro Tem James Allen (excused), Councilmember Nancy Darga (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, Fire Chief James Allen, Director of Public Works James Gallogly, Assessor Karolynn Pargo, and reporter from Northville Record. No citizens were present.

**PRESENTATIONS**

**A. Citizen Comments** None

**APPROVAL OF AGENDA**

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

**FY 2014-2015 BUDGET REVIEW**

**Budget Message and Overview (I-1 through I-13)**

The City Manager summarized the FY2015 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 24 appeals, which is lower than previous years. A brief explanation of how Taxable Value is determined was provided. With the Headlee Roll Back Formula, the City Charter authorized maximum millage rate of 20 mills has been rolled back to 14.1426 mills for the 2014 tax year. In 2013 out of 70 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 that took effect this year. The ten bill package signed by the Governor would reimburse municipalities for the loss in personal property tax revenue and provide for a more stable reimbursement mechanism. It is still contingent upon a statewide ballot initiative which allows for the funding mechanism for the reimbursement. If approved, reimbursements would not begin until 2016.

**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 a decrease of \$31,239 or 0.48% from last year. The taxable values for FY2015 are continuing a slow, upward trend, providing for approximately \$120,000 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 four years ago will continue and will focus on long-term cost savings. The primary source of General Fund revenue is property tax at 68.3% 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.

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

City Attorney (page IV-26): Overall general and prosecution legal services budgets are slightly lower than the prior year.

City Clerk (page IV-28): The proposed budget shows a decrease from the previous year to reflect reallocation of part of the City Clerk's wages to the Building Department.

Elections (page IV-22): The budget provides for the administration of the August primary and November general elections.

Finance and Administrative Services (page IV-31): The proposed budget increases 3.7%, which is directly related to the reallocation of one of the clerical staff's wages and fringes from the Technology Department to the Finance Department budget.

It was commented that having Northville Township provide IT services has been favorable and provided significant cost savings.

Tax and Assessing (page IV-35): The proposed budget shows an increase of 21%, which is primarily due to reallocation of the wages and fringes of the Finance Director/Treasurer being reallocated from the Technology Budget. In addition, the Assessor wages were lower than expected from the prior year.

Buildings and Grounds (page IV-39): The proposed budget has an overall increase of 2.4%. It is proposed to plant approximately 100 new trees in the City rights-of-way following a September 2013 storm which damaged many trees. Funding will come from the City's Environmental Tree Fund.

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%. The proposed budget decreases 6.8% from the prior year primarily due to the retirement payout for the Fire Chief in the previous fiscal year.

Technology (page IV-62): The proposed budget is a decrease of 9% from the prior budget year, which is related to the reallocation of the Finance Director's wages from Technology to the Tax and Assessing Budget.

Questions pertained to GIS (Geographic Information System).

Department of Public Works (page IV-65): The proposed budget provides the same level of service as the current budget year. Questions pertained to the parking system maintenance and the costs for this maintenance that has been assumed by the Downtown Development Authority.

Planning, Zoning, and Inspection Services (page IV-70): The decrease to the Planning and Zoning Budget (Activity 560) pertain to the anticipated completion of the required Master Plan update. The increase to the Building and Code Enforcement Budget (Activity 562) is related to the reallocation of the City Clerk's wages and fringes.

Shared Services (page IV-78): Contribution levels for Parks and Recreation remains unchanged. The contribution to Northville Youth Assistance increases slightly.

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.

Debt Service (page IV-82): No activity is planned in this portion of the budget for FY2015. 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.

Street, Drainage and Sidewalk Improvement Fund (page V-1)

Major Streets Fund (page V-8)

Local Streets Fund (page V-16)

The Street, Drainage & Sidewalk Improvement Fund reflects the revenue received from the 1997 dedicated millage. Funding from the millage is collected in this account and then transferred to Major Streets Funds and Local Street Funds for capital improvements as needed. The Street, Drainage and Sidewalk Improvement Fund's long-term plan focuses on executing capital projects as outlined in the City's new "Street Improvement Plan" completed in December 2011.

The Major Streets Fund and Local Streets Fund records revenue received from gasoline tax through the State of Michigan under Act 51. Act 51 revenue remains fairly stable, and expenditures for routine operation and maintenance activities are expected to remain consistent. An annual operating transfer to Local Streets is proposed, pursuant to PA 338 of 2006, which allows transferring up to 50% of Major Street Funds to Local Street Funds with no local match. This would cover the costs of maintaining the more extensive local street program.

Discussion ensued pertaining to the street and sidewalk millage approved by voters in 1997 and the possibility of exploring the option of asking voters to expand that millage. The impact of Headlee has created a shortfall in funding. The City’s new “Street Improvement Plan,” completed in December 2011, found that the City’s street improvement program is underfunded. To stay the course, the report indicates the City will need approximately \$650,000 for street improvements. The DPW Director noted that proposed improvement plans and funding would be presented to City Council at a future meeting. A brief explanation was given on how streets are reviewed and rated for future improvements. Discussion ensued pertaining to the harsh winter. The DPW was commended for its snow removal efforts.

Parking Fund (V-23): There are no planned parking improvements for FY2015.

Fire Equipment and Replacement Fund (page VIII-4): 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.

## **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: 8:23 p.m.**

Respectfully submitted,

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Dianne Massa, CMC  
City Clerk

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Christopher J. Johnson  
Mayor

Approved as submitted: 5/5/14