

CITY OF SOUTH LYON
BUDGET WORKSHOP
APRIL 18, 2015

Mayor Wallace called the meeting to order at 10:00a.m.
Mayor Wallace led those present in the Pledge of Allegiance

Mayor Wallace stated Councilmember Dixson is unable to attend due to illness

CM 4-1-15 MOTION TO EXCUSE ABSENCE

Motion by Rzyzi, supported by Kopkowski
Motion to excuse absence of Councilmember Dixson

VOTE: MOTION CARRIED UNANIMOUSLY

AGENDA

CM 4-2-15 MOTION TO APPROVE AGENDA

Motion by Kramer, supported by Kivell
Motion to approve agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT- None

OLD BUSINESS

1. Consider approval of settlement in Candela v South Lyon, et alla

CM 4-3-15 MOTION TO APPROVE SETTLEMENT IN LAWSUIT

Motion by Kivell, supported by Wedell
Motion to approve the settlement as presented by Attorney Wilhelm.

VOTE: MOTION CARRIED-1 OPPOSED

NEW BUSINESS

1. Budget Workshop

4/18/15

City Manager Ladner stated Council has been presented with a proposed Budget for fiscal year 2015-2016. She stated there were a few changes from the previous year. She stated she has been conservative with the Capital Improvement Fund for future construction. She further stated the Roadway Assessment will be presented to Council by HRC at the April 27th Council meeting. City Manager Ladner stated the City roads are in bad shape, and with the uncertainty of the ballot proposal on the May ballot, she recommends Council to review the roadway assessment and consider placing a ballot proposal for a dedicated road and street millage to improve the streets in the City.

City Manager Ladner stated there are several changes in the budget that Council may choose to remove or make significant changes in order to continue to support the City's service needs. She is recommending increasing the mill levy for 2016-2017 to 3.0 mills at the very least in order to cover the continuing principle and interest payments through the life of the bond. It will be necessary to gradually increase this amount to approximately 3.5 mills in the future.

City Manager Ladner stated she is proposing moving our current Economic Development Director from a part time position to full time to help promote redevelopment in the City. She will continue her existing duties with the Planning and Zoning boards and the DDA Board.

City Manager Ladner stated she is proposing a reduction of the previous fiscal year's mill levy to the Capital Improvement fund by one-half using the other portion to support general fund expenditures. She stated there will be a one-time expenditure for new accounting software and the website redesign/relaunch along with the increase in salary and fringe benefits of taking an existing employee from part time to full time. She further stated it is important to note the General Fund currently has an approximate fund balance at the end of the last fiscal year of 9 months of operating expenses. She further stated the GFOA only recommends a 3 month fund balance for operating expenses or revenues. She stated her last recommendation is to pay off the Volunteer park land acquisition bond, which would save \$30,160.00 in interest over the next four years. Some discussion was held regarding the City Manager's recommendations. Councilman Wedell stated that fund balance should only used for a 1 time expenditure, that salaries and programs are not appropriate for use of fund balance.

City Manager Ladner stated in the Administration portion of the budget, there is the change in wages and benefits to bring Kristen Delaney on full time, as well as a 1% increase in wages. She also stated the budget includes the expenditures for the website and the financial software change to BS&A.

Councilman Rzyzi stated he thinks the \$14,000.00 for the website could be cheaper. Councilman Kivell asked if the cost is comparable with other companies. City Manager stated they were pretty comparable except one was double that cost, and the cheaper company is the one we currently use, and they aren't able to offer the services we need for the new website. Councilman Kramer stated there was some discussion regarding raising the retainer fee for the City Attorney, and asked if that is worked into the Budget. City Manager Ladner stated it is.

Mayor Wallace stated the roads in the Cemetery are getting very bad, and maybe we could look into resurfacing them. Department Head Martin stated we could probably make it another year or two with the current conditions. He further stated the fence is in bad shape and he would like to take care of that first. Councilman Kivell stated he would hate to put money into the Cemetery roads if it isn't necessary at this time. City Manager Ladner stated our expenses are in the \$90,000 to \$100,00 range and our revenue from lot sales and burials is approximately \$80,000. She stated the costs have not been raised

since the 80's and that is something we may need to look at so we do not have to use the perpetual fund.

City Manager Ladner stated the transportation fund is used to cover the costs for the contract we have with Peoples Express for public transportation.

Chief Collins stated he has included a 5 year capital improvement plan in the Police Budget. He further stated the most significant increase is the need to replace two vehicles this fiscal year, as well as a 1% increase in wages. Councilman Kramer asked if we are still paying for the wages of the officer involved with the DEA task force. Chief Collins stated we currently are, but we are reimbursed for his overtime pay. Some discussion was held regarding the 5 year capital improvement plan and the possibility of purchasing body mounted cameras.

Chief Kennedy stated there is not a tremendous amount in his budget, but there are two main issues. One is a 2% increase for the paid on call firefighters, which will keep them comparable with surrounding communities. The other issue is the purchase of a new engine in the 2016 budget. He stated he is hoping to sell the older one for between \$50,000 and \$75,000 and he suggests the new engine be paid for in cash to save interest and it will also result in lower apparatus costs. He stated he will request bids from 4 manufacturers. Discussion was held regarding purchasing a demo as opposed to a brand new vehicle.

City Manager Ladner stated the Ambulance budget is part of a two party agreement with Lyon Township.

Department Head Martin stated the DPW budget is like 9 budgets within a budget. He has increased the number of employees to 9, which make the multi-tasking much easier. They are constantly trimming trees, cleaning the streets, and work in the Cemetery. He stated he would like to have some work done at the DPW yard this fiscal year. He stated there are a couple of buildings that are collapsing, and we are always monitoring them, and we would also like to pave the area and add a new pole barn as well. Discussion was held regarding the budget.

Department Head Martin stated there are 8 parks in the City of South Lyon to be maintained along with the trail path, weed mowing, and play equipment. He stated it is expensive to replace the play equipment. Discussion was held regarding the different things in the parks the City seems to be responsible for such as basketball nets and tennis courts. Councilman Kramer asked if the master plan was completed. City Manager Ladner stated Carmine was working on that and she will discuss this with him and let Council know. Discussion was held regarding adding lighting to Volunteer Park and a rest room facility. A Parks and Recreation Commissioner asked why the maintenance budget was going down from last year. Department Head Martin stated the number used in the budget was based on the 6 month budget.

City Manager Ladner stated she made no changes to the Historical Department. The Department made a change to pay for a Wedding Coordinator, which mostly is offset by the wedding fees. Discussion was held regarding a large rock from City property to be relocated onto the Historical area.

City Manager Ladner stated the revenues reflected in the Land Acquisition fund reflects the revenue from the rental house we own.

Department Head Martin stated he would like to replace a plow truck and a chipper/leaf vacuum during the 2015-2016 budget. He stated is looking for used equipment that is in good working order.

Department Head Martin commented on the water and sewer budget. He stated the water plant bond will be paid off in 2015-2016. He further stated the rate increase will stay in place. He further stated there has not been a rate increase in wastewater fees in the past 7 years. Department Head Martin stated in the future he would like to have the water tower painted, he further stated it hasn't been painted in 21 years and it is a big job to do.

Chief Collins stated the Drug Forfeiture fund has yet to receive anything from the DEA, but we do get small amounts from every day happenings. He stated there will probably be an increase in the DEA portion soon.

City Manager Ladner stated the DDA budget supports the marketing and promotion of events and activities that bring people to the downtown area. She stated the revenues are based on the Farmers Market as well as property tax collections.

City Manager Ladner stated the perpetual care fund for the Cemetery revenue is based on the sale of graves, which we cannot predict.

Councilman Kivell stated the Cable Commission emailed him some information regarding a budget they would like to present to Council. They would like a budget of \$5,000 that would be used for purchasing replacement equipment for programming to be used on Channel 19. Discussion was held regarding the current programming, and the process for submitting and playing the programming. This would be a one-time fee for equipment only.

CM 4-3-15 MOTION TO ADJOURN

Motion by Kivell, supported by Kramer
Motion to adjourn meeting at 12:40

VOTE: MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Tedd Wallace Mayor
4/18/15

Lisa Deaton Clerk/Treasurer