

VILLAGE OF HOLLY

Budget Workshop

Minutes of April 23, 2016

President Pro-Tem Musgrave called the Budget Workshop of the Village of Holly to order at 9:05 a.m. in the Holly Area Schools Board of Education Meeting Room, Karl Richter Center at 920 E. Baird St., Holly, Michigan.

Present

Dave Cruickshank
Suzanne Heiple
Robert Kleven
Debra Musgrave
Chris Rankin

Staff Present

Jerry Walker
Cathrene Behrens
Brian Klaassen
Mike Story
Time Stallcup
Toni Brinker
Steve McGee
Andrew Potter

Others Present

Laurie Lacey
Angela Lemon
Patrick Feeney

Absent

Bob Allsop
Ryan Bladzik

Motion Cruickshank, second Heiple to excuse Alsop & Bladzik. Motion carried by a voice vote of five ayes and no nays.

- Musgrave noted this meeting was to discuss topics in the budget but nothing would be voted on
- Walker said they were reviewing a compilation of months of work by staff; he thanked Behrens for her efforts in putting everything together
- There will be an overview of each departments budget, Council may ask questions, then they will move into the addendum portion
- Walker said addendums are important because they highlight the rational for large purchases that were placed into the budget, or needs the departments heads feel are warranted, even if they can't go into the budget until a future date
- For example: cameras for the police cars have been discussed for several years but never put into the budget; there is a request to include them this year
- The taxable value for the Village has gone up by 3.1% or approximately \$30,000; this could be impacted by the Headlee Amendment
- An increase of 3% has been added to the Refuse Fund to keep up with costs; the cost would go from \$173.04/yr. per customer to \$178.23/yr.
- Proposed utility rates: water commodity rates will stay the same; requesting a 5% increase to the sewer commodity rates to cover existing operation costs

Wastewater Treatment: Tim Stallcup

- Klaassen does the collections; Stallcup oversees the plant
- Submitted an application for a discharge permit; does not know what the DEQ might require
- Problems with Flint water were taken into consideration, and may require further testing in the future which could be very expensive
- The DEQ stipulations are mandated
- There was \$17,000 in uncollected money in the 2014/15 budget

- The current \$5000 amt. shown in the receivable acct. is due to a change in how things are recorded
- There are four full-time employees vs. other communities with much more manpower
- Addendum #9 is for a lift station
- \$23,000 was to replace a treatment filter which was routine maintenance
- Members noted the small increase and thanked Stallcup & his staff for doing a good job

Item ##3 Cathy Behrens

- Budget is for all the wages and total operating supplies for a total budget.

Item #4 Village Manager: Jerry Walker

- Budget is unchanged from previous years

Item #5 Elections: Cathy Behrens

- A modest increase in cover costs
- The Township takes care of most of the related costs for this item

Item #6: Parks: Chris Rankin

- Crapo Park pavilion is listed in project costs, along with decorative garbage cans for the parks
- Community Play Dates costs are for inflatables
- Some engineering costs were included in this budget that the DEQ may not allow
- Would like to finish the bathrooms at Cyclone Park and the storage area for festival items
- Addendum #1 deals with needed work at Waterworks Park & Millpond dam
- Originally the Village offices were going to be moved to Cyclone Park; during the demolition, the heating and electrical systems were largely removed
- A heat source and routine maintenance are needed to make the building usable
- A new heat system would run about \$6500; \$7000-8000 for the total project to make the building usable
- Dickens Festival Committee occupies 100% of the building and uses it to store equipment
- A heat source is needed no matter who uses the building
- The Dickens Committee has offered verbally to help in the restoration costs
- The fire dept. also has some equipment stored in the building
- If water service was put back in, heat would be needed
- Perhaps this item should be put in as a line item once an agreement is reached with Dickens
- Hope to put a fence around the play area at Lakeside Park from the current budget
- Electrical outlets at Crapo Park were all replaced last year and should be working
- The pavilion outlets are not working

Item #2 Budget in Brief: Cathy Behrens

- Discussed highlighted areas
- \$8000 to the good in the General Fund balance, which is not much
- Major Road Fund is out of balance due to Cogshall Road improvements

- Other road needs and the shortages were discussed
- \$3000 was transferred from property tax revenues to cover last year's shortage
- Local Road Fund is carrying a \$50,000 expense for a portion of a dump truck
- There is a deficit of \$20,000 that has to be made up from somewhere
- Sewer Fund is at a deficit due to a portion of the dump truck
- Depreciation is not included
- Infrastructure is deteriorating
- Walker said the fun balance is healthier than in years past, some projects will still have to wait

Addendum #1: Parks

- \$15,000-20,000 will be needed to improve aspects of the Waterworks building
- Would be hard to get a grant for the building since it was burnt and rebuilt; only the site is historical, not the building
- Grants often require matching funds and have a lot of stipulations
- The building could be demolished with CDBG money due to blight, but many people are against that idea
- Everything is dry rotted; the waterwheel is the only thing of value
- The waterwheel could be turned into a monument in the park
- It would be 16-18 months before a portion of money would be available for demolition
- Funds for 302 North could be reprogrammed
- It was suggested perhaps leaving the waterwheel and putting on a deck
- Once quotes are received, recommendations could be considered and Council could make a decision
- A decision needs to be made; it has already been kicked down the road several times

Item #7 Cemetery: Brian Klaassen

- Manpower and equipment are the only operational expenses

Item #8 Attorney:

- Covers the cost of the municipal law firm and labor attorney fees
- \$25,000 was budgeted; coming in just under \$20,000 this year
- Leaving the budget at \$25,000 due to upcoming union negotiations

Item #10 Building Fund:

- General Fund for plumbing, electrical & mechanical inspectors

Item #11 Data Processing:

- IT contracts; no increases from sources
- Service and response from IT provider seems excellent

Tab #11 Clerk/Treasurer:

- \$11,000 covers all the required newspaper publications and 50% of the codification process
- Budget remains pretty flat

Tab #12 Buildings and Grounds: Brian Klaassen

- Hours working on the grounds are charged to general fund

Tab #13 Police:

- Decreased due to reduction in full-time officers
- There is an addendum for a full-time officer
- 4% cut will not reduce road hours
- Large millage should cover more public safety and less of other things
- Part time officers have the same authority; as long as hours are the same there is no negative effect to public safety
- Contract requires no more part-time officers than there are full-time; this is currently in negotiations is the clause is not in most contracts
- 17,500 hours of patrol time is needed to have adequate coverage, whether by part-time or full-time officers
- A full-time officer costs \$90,000/yr.; a part-time officer makes \$16.50/hr.
- The Chief would like to see another full-time officer added, but the administration feels two part-time officer supply the same coverage for less money
- Behrens said almost 100% of property tax revenue is going towards the police and dispatch, and does not include the Fire Dept., the Building Dept. or the 17 other departments that make up the general fund
- Addendum items are requests, not requirements; it would be nice to have all full-time officers, but if part-time officers can serve the need for less money and allow the department to acquire the needed in-car cameras, that should be the priority
- The Chief discussed in-car vs. body cameras, saying the in-car cameras are better, and having both would be ideal if the budget allowed
- There is a grant that might pay up to 50% for the in-car cameras
- Part-time officers are not reserve officers; reserve officers are harder to find
- Automatic downloads and continual storage are required for in-car cameras
- As old cars are replaced with new cars, there will be a transfer fee
- Four cameras are needed; the storage is one of the main costs
- Data cannot be edited, but it can be downloaded to CD or stick memory

Tab #14 Dispatch:

- \$118,000 is the contract with the O.C. Sheriff Dept. dispatch
- The rest is for station coverage during business hours
- Additional coverage during night time hours is an addendum item, but not possible right now

Tab #15 Fire Department: Steve McGee

- There are two addendum items to purchase an ambulance and an addition to the fire station
- A portion of the ambulance cost is in the budget, but the addition is not
- Looking at ways to do a 7-year purchase of the ambulance

- Current ambulance is 15 years old and was used when bought
- Most ambulances are replaced every 3-7 years
- McGee said Holly could probably get 7-10 years out of a new ambulance
- Asking for spend up to \$100,000 to buy a new ambulance; many cost \$150,000-180,000, but they are basically requesting a box to transfer patients, not a Cadillac
- Village makes \$20,000-30,000 per ambulance transports
- There is a tiered system with Groveland depending on if life support is needed
- Old ambulance could serve as a reserve if more than one ambulance was needed
- In the process of upgrading service level; currently licensed under Groveland
- In a couple months, the Village we be able to stand alone after a state inspection
- When shared services started in 2008 Holly only had 1 EMT; now there are 24-25 who are qualified as EMT's
- There have been many advances through the partnership with Groveland
- Shared services for police and fire has been considered and will be looked into in the future
- Walker asked if Council would be safe with the water fun financing the ambulance and receiving the interest; members said they would rather see the interest paid to the Village
- McGee discussed the need to house some of the first response vehicles that are currently stored outside, especially during months with snow
- A temperature controlled environment would be best vs. other options
- A question was asked regarding the cost of staffing; the Village and Groveland both pay for staffed hours; emergency hours usually require three people
- The Village has 27 people plus 61 in Groveland, who cross-train and cover for each other as needed
- Usually a union negotiated raise is passed on to non-union employees after Council approval
- A member said he felt it was unfair that firemen were paid only \$12/hr with no insurance or retirement benefits
- McGee said there are training incentives
- \$15 for an evening call is about the top amount paid and the pay is the same for everyone, including the Captain
- The call rate changes based on the level of training; \$12/hr is paid when employees are waiting at the station for a call, which is a standard rate

Tab #16 Community Development:

- Unchanged from last year

Tab #17 Public Works: Brian Klaassen

- Unchanged from last year
- Slight decrease in wages

Tab #18 Non-Departmental:

- No changes

Tab #19 Major Roads: Brian Klaassen

- Vehicles are used across several budget areas

- Usage is allocated each month to the proper budget
- Only change is the request for a dump truck
- Newest truck is 13-14 years old; industry average is 7-10 years due to wear & tear
- Recommendation is not to buy a new truck this year, but to retrofit an old truck
- Retrofitting can cost \$50,000 to \$100,000 depending on ala carte options selected
- A smaller truck was approved a few months ago
- Might be able to get \$20,000 for an older, obsolete truck if one was sold
- There is a \$25,000 deficit in the local road fund, which has to be made up from property tax revenues; this would leave a \$17,000 deficit in the general fund
- Cogshall is a mixture of two funds; infrastructure above and below ground is divided into different funds

Tab #20 Municipal Street Fund:

- Collecting outstanding revenue from sidewalk special assessments
- Sidewalk repair by the Village vs. property owner was discussed

Tab #22 Lake Improvement Fund:

- Fund for the Millpond
- Council approved a \$5,957 special assessment; \$5600 was spent, leaving a slight surplus

Tab #23 Refuse Fund:

- Fund has a built in increase of around \$5 per customer

Tab #24 Downtown Development Authority: Andy Potter

- Over fund due to an ongoing project
- Three trees on S. Saginaw are dying
- Want to replace 8 black locust trees in town and add grates to improve walkability in town
- Trees are a trip hazard because they are overgrown
- Budget is small so some money had to come out of the fund balance
- Two estimates came in at \$77,800 and \$19,500
- Brick pavers were removed from 2nd estimate, as well as mobilization costs
- Has looked into some grants, but there has to be 20 years in between grant awards, which is the only grant available for this type project
- Over by about \$1,600
- Funding would come from 2015-16 budget and fiscal 2016-17, pending approval
- Looking into non-fruit bearing trees that do not grow taller than the building but add color

Tab #25 Revenue Transportation:

- 100% funded through Federal funds and O.C. funds
- Go through special services and SMART contract each year
- Currently running a deficit, but there is a fund balance surplus
- One bus is hard to keep road worth, but expecting a new bus within a 12-16 months

Tab #26 Sewer Fund: Brian Klaassen

- Need to replace a lift station on Baird St.
- Small station services six homes
- Cost would be \$230,000

Tab #27 Water Fountain: Brian Klaassen

- Covers the water treatment plant and the transmission system throughout the Village
- A truck is included in the budget
- Chemical feed pumps need to be replace
- Local health dept. is changing some rules regarding samples and testing
- Holly water comes from a 300 ft. deep well which is less likely to have contaminates
- \$250,000 for Cogshall watermain is part of the \$650,000 but probably will not be included in the budget
- Roads are a priority, which will give Council time to put together an infrastructure plan

Tab #28 Karl Richter Community Center: Toni Brinker

- 2000+ people are using the center
- Budget is balanced
- Sending out a flyer to advertise classes

Tab #29 Bond Debt

- One was refinanced this year, with considerable savings for the sewer fund
- Consultant who passed did a great job for the Village

Tab #30 Employee Compensation:

- Most employees are unionized, so compensation is controlled by the union
- Currently in negotiations with the police officers, police command and the teamsters
- Will keep Council informed of progress
- Looking for balance for both Village and employees
- Other entities pay more but require employees put money into various health & pension funds
- Village pays less but does not require employees to pay into other funds

- Walker said some funds are improving, allowing Council to choose what improvements they feel are most warranted
- The purpose of the task force was to brainstorm and identify solutions to the problems
- Walker and Behrens were complimented on their work in putting the budget together

ADJOURNMENT:

With nothing further to discuss, Musgrave adjourned the meeting at 11:40 AM.

Cathrene Behrens
Village Clerk/Treasurer