

**CITY OF WIXOM
BUDGET SESSION
APRIL 19, 2017**

This meeting convened at 6:00 p.m. with the Mayor and all members of Council in attendance, as well as the City Manager, Assistant City Manager and Department Heads. The Pledge of Allegiance was recited.

Changes or Additions to the Agenda (None)

Water/Wastewater Presentation

a) Water/Wastewater Enterprise (163-170)

Dawn Lund, Utility Financial Solutions, LLC, explained that there were three key financial targets – cash reserves, operating income and debt coverage ratio. They were in the fifth year of the plan. She noted how they saw declining units in both funds and declining cash balances. For history purposes, she explained the 2016 Water Projection with Rate Increases. She stated that Great Lakes Water has indicated they will increase their rate by 3.5% but she projected it would be more like a 4% increase. The water revenue projection, with rate increases, was also reviewed. She proposed an 11.5% increase in water. Looking into the future, she thought they should be able to reduce that to 4%. The goal was to get the Water Department to have at least \$1 million in cash balance and build it to \$2 million.

Councilmember Smiley asked if she suggested the rate increase be set at 4.9%. Ms. Lund suggested the rate be increased to 7.5%.

Ms. Lund discussed the 2017 Wastewater Projection with increases. She still proposed the 15% increase this year. They hoped to have at least \$3 million in cash balance. She reviewed the Wastewater Rate Design and their impacts. Ms. Lund thought they may want to consider moving away from the sewer cap but she wanted to see the impact before she made any recommendations.

Ms. Stamper thought we went many years without raising the cap. It is now \$88.30 and there was a proposal to raise it to \$101 this year.

Councilmember Kennedy wondered if that was the reason we lost money. Ms. Stamper indicated that it was somewhat. Councilmember Kennedy asked why the cap was initiated. Mr. Goodlein believed it was put on in the beginning when the sewer was installed. He thought if we moved away from the cap, it could be explained with an explanation to everyone why it was detrimental and the harm it caused. This could be done by notices on their bill, e-notifications and postings on the City's website.

Ms. Lund cautioned that whatever the City did that they should do it slowly. She explained that the downside of moving away from the cap was it could encourage people to install another meter for sprinkling.

Mr. Goodlein explained that Ms. Lund wanted to look further into this and come back with the best scenario. He thought maybe we could explore three different exhibits based on different periods of time. Maybe she could report back to us with the best period of time based on what the cap should be.

Mayor Hinkley asked when Ms. Lund could return to us with an analysis. Ms. Lund thought she could report back in roughly eight weeks.

Ms. Stamper explained that the rates wouldn't go into effect until October; however, the budget model was 15% and that could change once the study came back. Ms. Stamper thought it best to keep the cap at 15% for now. Ms. Lund agreed as they had a long way to go and it was more important to accurately set the cap.

Call to the Public

There were no comments from the public at this time.

There were a few items that the Council wanted to revisit after the first Budget Session. Those items included the Repainting of City Hall and Restrooms' Repair and Renovation, Recording of City Council Meetings, Council Compensation, and the Senior Center Participation & Programming.

Repainting of City Hall and Restrooms' Repair and Renovation

Mr. Goodlein proposed that the funding for painting of City Hall and the Police Department be reduced from \$40,000 to \$20,000 and that the Police Department not be painted. Also, it was proposed that the requested appropriation of \$20,000 for the renovation of the City Hall restrooms and the Police Department lobby restrooms be reduced from \$20,000 to \$7,500 and that the Police Department lobby restrooms not be renovated.

Recording of City Council Meetings by the Walled Lake Consolidated Schools

A memo was distributed to Council with additional information regarding the Schools recording more than the proposed eight meetings in a year as well as the number of views that the last seven meetings had on the YouTube channel. The Schools could record additional meetings subject to the availability and willingness of its Broadcast Arts students to participate so that three students were available for each additional recording date and session requested. There would be a fee of \$162 per additional record session and they would not be able to provide recordings in June, July, August or September unless three or more students requested summer assignments and were available on the dates requested.

Deputy Mayor Ziegler wondered if the number of hits measured that the whole meeting was viewed. Mr. Goodlein said no. The viewer could have watched 2 minutes, 10 minutes, 40 minutes or the entire meeting. Deputy Mayor Ziegler said that this was a trial period but he would agree to another trial period of eight additional recordings to see what happens to the number of views after that.

Councilmember Gottschall didn't think we would be able to get an additional eight meetings because of the school breaks and the way they line up with our meeting schedule. He didn't think we did enough to notify residents of the availability of these meetings and suggested that an email notification be sent out similar to the one that includes agenda information. He also thought that it could be advertised on Facebook. He hoped in the future we could make a complete effort to notify people of these recordings.

Councilmember Rzeznik said he was in favor of adding eight more recordings and then we could revisit the number of views again.

Councilmember Kennedy thought we had an obligation to record these by way of the PEG fees. The number of views is not a matter of how popular we are. He thought the recordings were a good thing and that they actually helped with the economic development of our City.

It was the consensus of the Council to record eight additional Council meetings at a rate of \$162 per meeting.

Council Compensation

The City Charter indicates that the salary of the Mayor and Councilmembers be determined by an ordinance and the change in salary shall become effective at the commencement of the terms of those elected at the next Regular Election provided that such election follows the adoption of such ordinance by at least six months. At this point, there is not enough time to follow the six month criteria.

Councilmember Gottschall stated that we may have been able to meet the six month deadline if we asked the attorneys to adjust the ordinance so it could be presented sooner than the timeline outlined in this memo to Council. Mr. Goodlein felt if we were going to ask the City Attorney to do something quickly, it should be a matter a bit more important or larger than this issue.

There was a consensus by all except Councilmember Gottschall not to change the Council's compensation.

Senior Center Participation and Programming

Mr. Goodlein indicated that the Senior Commission has made it clear that they do not want the responsibility of planning, working or sponsoring events, especially on Fridays. It is believed that changing the part-time Senior Coordinator's position from part-time to full-time would facilitate increased programming and participation by seniors and it would also provide more time to write grant requests. He felt that the hiring of an additional part-time Coordinator would make it difficult for program planning to be coordinated. Because of the unique personality of our Senior Coordinator, we would be hard-pressed to find another with this same skill set.

After a brief discussion, it was determined that the majority of the Council was opposed to increasing the Senior Coordinator's hours to full-time. They would like to revisit this item next year to review the participation trends.

Water/Wastewater Enterprise (163-170)

The Council revisited the Water/Wastewater Enterprise to get a general consensus on approval. It was decided that they would go ahead with the cap increase.

Review of General Funds (Continued)**10-Year Budget Projection for Police, Fire and DPW Services (203-208)**

Mr. Goodlein provided the Council with charts showing the 10-Year Budget Projection for Police, Fire and DPW Services to provide them with a forecast of expenses for core City services. While this data forecasts operating expenses and capital expenditures will experience annual increases of 3%, the City's experience has been that the growth of these expenses has been considerably less in recent years. Obviously, the impact of low inflation has encouraged the growth of these expenses to be minimal during recent years. It is believed that the use of an annual 2.5% increase in salary expenses is prudent and that it can be expected to represent the mean or median of what salary expenses will be over the next ten years. Staff's assumption that health insurance expenses will increase at annual rates of 5% based upon metrics and data obtained solely from the City's history of health care expense. Additionally, the money we pay for MERS might even doubt what we pay today. He indicated that this is a snapshot of what our future obligations could be relative to Police, Fire and DPW. This is our core services that we provide to the residents and businesses within our jurisdiction.

Councilmember Rzeznik asked when our Charter was last capped. Mr. Goodlein replied it was in 1985. Many of our surrounding communities have increased their caps, some are

even at 20. Madison Heights, for instance, is at 20. Their property values are less than Wixom, but they are taxing at 38 mills. If nothing happens with Proposal A and Headlee, we will see advanced pressure. He noted that the amount of money the City has lost in State Shared Revenue is approximately \$8 million. That was not meant to create alarm as much as it was to say expenses will increase and there are ways to address some of these large expenses.

Councilmember Rzeznik said that we haven't had a cap amendment in 32 years ago. It is amazing that we deliver the City services that we do with the number of employees that we have. He felt there was great value to what the Wixom residents receive.

Councilmember Kennedy commented that there is a 10-year millage for the Library. He suggested that we propose a 10-year millage to support just our Police and Fire. He wondered about the complete cost analysis for a 10-year millage. Mr. Goodlein thought one barrier we might encounter would be the special millage of up to 3.5 mills that is already in place. Also, if we collect money for Police and Fire, we are not allowed to spend it on anything but that. We would have to establish our own fund balance and revenue/expense accounts. If we needed money and we didn't have it in the general operating fund balance, we couldn't go to the Police or Fire for that money. He felt there was a risk at moving in that direction. Councilmember Kennedy asked if this wouldn't be the same thing as the Roads and Safety Path millage. Mr. Goodlein didn't think so. There is a bit of a difference with bonding for operating expenses. He wasn't sure that the community had the desire to do that. Councilmember Kennedy didn't see any reason not to ask the community. He thought we could show people our long term program and how a new millage would take care of that. Councilmember Rzeznik thought it might be more prudent to change the cap in the Charter.

Mr. Goodlein stated that there was a \$400,000 deficit listed in the current projection. If the City bonds for the unfunded pension and OPEB, we could save approximately \$2.4 million.

Councilmember Kennedy thought we should look at this issue and take care of it for ten years. That way we will know what the staffing will be and it will provide us the chance to get on a good financial trek. He said he would appreciate Council looking into this.

Councilmember Gottschall said he didn't like the risk associated with putting the Police and Fire out for a vote for any number of years. It is nice the Library is safe. But we never know who will turn up at the polls. He was not in favor of putting this up for a vote.

Mr. Goodlein knew of several failed Police and Fire millages and that has left those communities scrambling.

Mayor Hinkley thought we were drifting from the subject at hand. He thanked Mr. Goodlein for all of his hard work on this report. It gives the Council a path to move forward and he appreciated that. We all know our situation with all of our staff. He didn't think this was part of the budget to make a decision on a ten-year plan. We hear Councilmember Kennedy loud and clear.

At this time, Council recessed at 7:45 p.m. and reconvened at 7:55 p.m.

Police (61-63, 144)

Councilmember Rzeznik questioned the replacement of the police vehicles. Director Yon stated that three vehicles will be replaced this year and the current vehicles will be rotated for the Police Chief, the Fire Chief and the DPW Director. The vehicle that the Police Chief

drives currently has over 100,000 miles on it; the vehicle that the Fire Chief drives currently has over 70,000; and the vehicle that the DPW Director drives currently has 40,000 rough miles on it. Also, all of the equipment in the vehicles will be able to be transferred directly to the new vehicles.

Councilmember Gottschall wondered about the surveillance improvements. He asked if they were in our building or other parts of the City. Director Yon said that the surveillance system is in the entire City Hall, the Library, and the downtown area. These cameras provide live feeds back to the front desk of the Police Department. Cameras will be placed in the public parks.

Councilmember Beagle asked if the City would be purchasing additional radar equipment. Director Yon replied that we will probably have enough money left in the current fiscal year to purchase one more radar sign.

Councilmember Gottschall raised a question as to bidding for the new Police vehicles. Director Yon stated that the Macomb bid is still in effect so they will get these new vehicles at a decent price.

There was a consensus on this budget.

Fire & Debt Service (65-67, 142, 149)

Chief Roberts said that he is requested the conversion of two part-time positions to two full-time positions. Personnel assigned to these duties and responsibilities would continue to act as first responders for reports of fire and emergency medical calls for service. In regard to transport services, they have billed approximately \$60,000 and have recovered about half of that. He felt that this would help to offset the part-time positions going to full-time.

Councilmember Gottschall asked if the two full-time positions would result in around an \$11,000 to \$12,000 increase. Ms. Stamper said that it is about \$16,000 when we compare those positions. Councilmember Gottschall said this is something he thought he could support in the interim but he didn't want us to be jumping to a full-time Fire Department. He said he would like to see the effort of recruiting additional paid on-call firefighters.

Mr. Goodlein stated that it is a nationwide problem trying to get men and women to commit to these agencies. We are fully aware that we may not be able to move forward. It is important to maintain the integrity of the organization and community.

Chief Roberts added that the challenge is during the daytime. We aren't going to a lot of fires, but we are going to a lot of car accidents. If we have paid on-call firefighters who work at a business in Wixom, there is a good chance that the incident is over by the time they arrive.

At this time, discussion was held regarding ways of attracting on-call firefighters. One suggestion was to attend one of the monthly Business Forums.

Councilmember Beagle thought it would be helpful if the Fire Department provided a breakdown of the calls received between 8:30 a.m. and 5:00 p.m. and the calls received between 5:00 p.m. and 8:30 a.m. from last year. He would like to see the amount of staffing that would work at the Fire Station. Also, he thought a real market tool for attracting on-call firefighters might be if we provided a \$1,000 bonus to those who responded to at least 20% of the calls in a year.

Councilmember Kennedy asked if we would have a shortage of staff by moving these two part-time employees to full-time. Chief Roberts said that we wouldn't see any increase in staffing. He said that this still doesn't address the gap in coverage.

As for the capital improvements in the Fire budget, a question was raised about the Exhaust Capture System. Chief Roberts stated that this system prevents the exhaust from the trucks from getting into the building and clothes. This is an OSHA requirement so we have to do something to replace it. This unit hangs from the roof and provides an exchange of air. He added that this is more cost-effective than reinstalling filters back onto the truck. It should take approximately 30 days to receive this system once the order has been placed.

Councilmember Gottschall asked if the carpet replacement was part of the recent carpet bid. Chief Roberts replied yes. This provides for a larger economy of scale. The carpet is original to that building.

Councilmember Rzeznik questioned the Base Radio replacement. Chief Roberts said he hoped to get new radios, but they don't have a solution to the 800 pager. The current radio is at the end of its life and there have been many upgrades.

Mayor Hinkley stated that the debt service for the fire truck comes off in the 2018-2019 fiscal year. That truck will be ten years old. He wondered what the life expectancy was for that vehicle. Chief Roberts indicated that this vehicle has had a very enhanced maintenance schedule and we should expect no less than 15 more years.

There was a consensus by all on this budget.

DPW (71-73, 146)

The DPW will continue to implement the storm water catch basin cleaning and inspection program and develop a catch basin and storm water collection repair program. There are a few catch basins that will be needing repairs. These repairs are covered under Act 51.

Councilmember Gottschall questioned the Salaries and Wages. Mr. Sikma indicated that some of the funds come from the General Fund, but a lot are covered through Act 51. As we go through the year, we mark the hours and we may move funds from one account to the other. Right now we are trying to estimate what that number will be through a full year. He added that the number of employees has not changed.

Councilmember Gottschall asked if the Natural Gas Expense could be bumped down from \$10,000 to \$7,500. Mr. Sikma said that he budgeted \$10,000 because he wasn't sure what would happen to the rate of natural gas. He indicated that he would be fine with that decrease, but if we have a cold winter, a budget amendment might be necessary.

Councilmember Gottschall wondered about the increase each year in the Conferences & Workshops line. Mr. Sikma stated that we just started adding funds back into this line. It is his hope to send two employees in the fall and two employees in the spring to the MPSI Conference. The cost for that is approximately \$2,000 each. They were only able to send one person this past fall and one person this spring because the class was full.

Councilmember Gottschall asked about the Dues & Subscriptions line. Mr. Sikma stated that there are a number of employees that have licenses that require dues. There are also additional employees taking exams to be certified in various areas.

Councilmember Beagle brought up the use of the wing plow trucks. He wondered if we were fully utilizing them since people are not pulling their vehicles out of the road during snowstorms. He asked if the DPW should be getting the Police involved. Mr. Sikma responded that the Police may help the situation. The wing plow truck included in this budget has the normal size wing. They are also looking at tandem, which would be used on the south side of the City. This would allow for fewer trips back to the DPW. He felt that the City was saving a considerable amount of time with the wing plow trucks. They can clean the major roads much quicker and it gives us more time.

Councilmember Kennedy had a question regarding the Unemployment Compensation. Ms. Stamper stated that line is used only if we have unemployment claims. The City pays the claim as we are self-insured.

Councilmember Kennedy noticed that the Gas & Oil line had only used \$13,700 of the \$35,000 budget amount this year. He asked if this line could be reduced. Mr. Sikma said that he was not comfortable reducing that line because of the winter months. We use that line to purchase five drums of hydraulic oil and he noted that each truck holds 55 gallons.

Councilmember Rzeznik wondered about the Street Sweeping line. We used \$22,195 during 2015-2016 but we are budgeting \$3,000 this year. Mr. Sikma indicated that the \$3,000 will be used for storm water prevention. The rest will be taken from the Act 51 funds under the Roads line. Councilmember Rzeznik saw the reduction in the Streetlighting line. Mr. Sikma explained that represents the savings we have realized by switching to LED lights.

Mayor Hinkley wanted to know what would become of the old dump truck if Council approved the wing plow truck. Mr. Sikma said that the dump truck would be used as a trade-in for the combination box that would be needed on the tandem plow truck.

Councilmember Gottschall asked about the drain improvements throughout the City. Mr. Sikma said that we are doing more assessments. We are cleaning and removing debris.

Six members of Council tentatively approved this budget and one did not.

Review of Other Funds

Major/Local Roads (90-97)

Karyn Stickel from HRC was introduced. She is helping with road assessments. We are currently working on an Asset Management Plan that will reflect more of what we use and how we spend Act 51 funds. The City received funds from Act 51 and half of those funds go into Major Roads while the other half goes into Local Roads. She noted that there is not a lot in the Major Roads and we can now switch the Major Road funds into the Local Road funds. Mr. Sikma added that the initial plan was to have Council approve the Roadway Asset Management Plan. We would then send a draft to the State and a resolution would be brought to Council in May.

Councilmember Rzeznik asked how often we would be allowed to update the Plan. Ms. Stickel indicated that the Plan could be updated yearly.

Councilmember Gottschall questioned the Design Engineering for Beck Road that was listed on page 91. He thought that was a LDFA project. The portion in this line was for Beck Road from Twelve Mile to West Road. The LDFA project was Beck Road from West Road to Pontiac Trail.

Mayor Hinkley brought attention to one of the items in the back of the Budget Books regarding Special Assessment Districts as a Method of Financing the Renovation and Reconstruction of City Roads. He thought it was important that we review this document for long range planning. He thought if anyone had questions, they could be addressed now.

Councilmember Gottschall thought we should not be using Special Assessments for residential areas because it has been a disaster for Farmington Hills. It was noted that the Special Assessment is based on the road frontage of their lot.

Mayor Hinkley indicated that there should be a SAD along Beck Road and maybe even on Avante. He noted that there are 60 businesses along Beck Road between I-96 and Pontiac Trail. He thought this was a great report in the appendix.

There was a consensus of all on this budget.

L DFA Roads (109-111)

There was a consensus of all on this budget.

Cemetery (98-99)

Councilmember Gottschall asked if we could increase this budget by \$5,000 for beautification of the Cemetery. Mr. Sikma indicated that he would propose this to the Cemetery Board at their next meeting in June.

There was a consensus of all on this budget.

Safety Path (101-103)

There was a consensus of all on this budget.

Solid Waste Collection (104-105)

There was a consensus of all on this budget.

DDA, DDA/VCA Development Bond Fund (106-107, 132)

Mayor Hinkley asked if there was additional funding for marketing. Ms. Stamper indicated that there is \$12,000 in the Marketing & Branding line. Mayor Hinkley asked if the entire Tribute project was in the DDA and Ms. Stamper replied yes. Anything that is completed this year won't be recognized on the tax rolls until 2018 and that was included in the forecast.

Ms. Barked noted that recently, a gentleman moved into Tribute and he owns a branding business in Detroit. He moved to Wixom because he felt this would be the next booming downtown. He has donated a lot of his services by creating flyers and posters and he has been assisting the DDA with branding the downtown. He helped them with their own logo. She stated that he has put in so many hours that we needed to start paying attention to him by paying him, even at a discounted rate.

Councilmember Kennedy asked how that helped economic development. Ms. Barker stated that once a branding is determined, it will go on all the materials. We hope businesses will translate that onto banners they will pay for and place in their businesses to promote the District. She said that if the debt retired, we would see it a little differently. The DDA could pay for that themselves. In the interest of trying to move the DDA forward and create an identity for them, we've placed this money into the budget.

Councilmember Smiley said that he has worked on a couple of cities' DDA branding projects. It does provide value. He suspected this man was making a name for himself. Ms. Barker stated that he is pretty big already. He just wanted to contribute to his community because he believes in it.

Mayor Hinkley thought this was a nice tribute to Ms. Barker and her work. These young professionals see they have a stake in their community and it helps to build our downtown. He encouraged the members of Council to attend a DDA meeting where they could learn all about this.

There was a consensus of all on this budget.

Land Acquisition (112-113)

Ms. Stamper indicated that we are waiting on \$44,000 that we should be receiving shortly. She said that we always budget the full amount for buying property so we don't have to do budget amendments to purchase the land.

There was a consensus of all on this budget.

Budget Stabilization (114-115)

A question was raised as to if we have a projected surplus this year. Ms. Stamper said that according to the estimates, we could have approximately \$468,000. Council could choose what to do with that in December. Mr. Goodlein said that Council could choose to prefund capital improvements. We could take that money and look at some of the big ticket items like the parking lot and the roads. The longer those items go without attention, the more costly the project will be. Councilmember Gottschall advocated pre-funding improvements. This would allow us to collect less tax in the future year since we have pre-funded the expenses. Mr. Goodlein indicated that he didn't think that was possible.

Mayor Hinkley remembered a few years ago when the pond cracked and we used money from the Budget Stabilization Fund for the repairs.

Councilmember Gottschall said if we save \$400,000, that is \$400,000 less we need to collect with the special millage of up to 3.5 mills.

Mayor Hinkley commented that as we sit here today at the current millage rate, we will have a \$3.2 million shortfall when it expires.

There was a consensus of all on this budget.

Forfeiture Fund (116-119)

There was a consensus of all on this budget.

CDBG Fund (120-121)

Ms. Magee said that this line reflects ADA improvements for the Gibson parking lot areas for the Wixom Community Museum. It is also for contributions to St. Vincent DePaul and Meals on Wheels.

There was a consensus of all on this budget.

Special Holding Agency Fund (126-127)

Ms. Stamper explained that this fund is money in and money out. It is used for site plans.

There was a consensus of all on this budget.

Insurance Fund – Retirees (128-129)

Ms. Stamper said the Insurance for Retiree Benefits was established to fund current and future expenditures for the payment of Retiree Health Insurance as stipulated in the City's Union contracts and Administrative Directives.

There was a consensus of all on this budget.

Tribute Drain Bond Fund (131)

There was a consensus of all on this budget.

Call to the Public

There were no comments from the public at this time.

City Manager's Comments

Mr. Goodlein thanked everyone for their participation in this budget process.

Mr. Brown was impressed with tenacity of this Council with this budget.

Chief Roberts thanked the Council for their time.

Director Yon thanked the Mayor and Council. He mentioned that we all worked together for the ten-year plan trying to understand where we are with the needs of our community.

Mr. Sikma thanked the Council for their consideration with this budget process.

Council Comments

Deputy Mayor Ziegler thought there were a lot of good issues brought up during this process and a lot of good dialog. As a matter of clarity, he didn't want anyone leaving this meeting unclear on where we are with the approval of the budget. He thought we were done but he didn't want to come to the Council table a month from now to discover that some people have issues. He hoped the other members of Council would say how they feel about the budget. He said he supported everything that went through here. He also wanted to mention that he was here several evenings for the Wage and Salary Committee meetings and he noticed Marilyn Stamper and Clarence Goodlein working very late into the evening. He knew these folks put a lot of time and work into this budget. He appreciated all their work, as well as that of the Department Heads.

Councilmember Rzeznik started off by saying that not only was Ms. Stamper here late during the weekdays, but he saw her here at 9:30 p.m. on a Saturday. It was amazing to him to see how many hours she actually works. He thanked the Department Heads and the City Manager and he said he thought there was a lot of dedication on this team. He was proud to live and work here. As for the budget, he did come in a little skeptical on a couple of items, but he wanted to hear the dialog. We are a growing community. He pointed out that we have been capped at 7.549 since 1985. It is phenomenal what we can do with the number of employees we have. He said that he supports this proposed budget.

Councilmember Smiley offered kudos to Ms. Stamper and her staff. He thought it was a valuable process and he got a lot out of it. He admitted that he was stuck on one item. We did approve three of the four full-time positions, but his only objection was the money that was requested to be spent at the Community Center. He reread some things, but he still doesn't want to do any improvements there yet.

Mayor Hinkley asked if Councilmember Smiley was a "yes" vote or a "no" vote on the budget. Councilmember Smiley said that at one point it was a "no", then he rethought it and it was a "yes." He said that maybe with fresher eyes it would look different tomorrow. He wondered how he would vote for the entire budget if he wasn't in favor of this one item and it is a big item to him. Mayor Hinkley asked what the alternative would be. We could do none of the improvements to the Community Center or we could do all of the improvements, but we couldn't do just part of it. This Community Center has served us for 26 years. It is an old, tired building and we have to decide if we want to put \$350,000 into it. We either decide to leave it as is, it doesn't become an asset for us, and we are funding it just for exercise. He stated that at some point, those things in need of replacement are going to have to happen. We have to understand what that does for our community over a period of time. Councilmember Smiley said he wants to take care of the City's assets. He understood the value. However, some of the items are not defined. He didn't like the idea of displacing the seniors during the renovation process. Also, how fancy of a wedding do we want? He heard comments made that if we do the renovation to the Community Center, we will also have to renovate the barn. There are a lot of questions that before we spend the money, he would like answered.

Deputy Mayor Ziegler commented that Councilmember Smiley asks a lot of questions but there may not be answers for them. The Council's responsibility is whether we want to maintain things. If we have a real problem with what is going on, it is up to us to say. To

raise questions without having suggested solutions was difficult for Council to deal with. He stated that there were a couple things he was outvoted on but he recognized he wouldn't get everything he wanted. Council makes decisions for the good of the City. He said he didn't want the Community Center to be a world-class Center, but it is nice to have the Community Center for the community. Hopefully we would be able to get by spending less than \$350,000. He said he would not vote no on an \$11 million budget because he didn't get something he wanted.

Mr. Goodlein explained the items necessary and how they arrived at the \$350,000 figure. Those items included the petitions, the restrooms, carpentry and doors, bonds, specification updates, and construction administration.

Councilmember Smiley thought that some of what has been described appears to be a little more of a maintenance issue. He said he has been to events in the Community Center and it seems like a beautiful place.

Mr. Goodlein added that the petitions are a large part of the expense. They are \$80,000.

Councilmember Kennedy thanked Mr. Goodlein for his projected ten-year program. He thanked Mr. Goodlein and Ms. Stamper for their work on this budget. He appreciated the idea of bonding for OPEB and pension liabilities. Everyone has worked hard on this budget. When he looked at the DDA fund, he questioned why we would be paying someone who was currently doing the work for free, but he changed his mind on that. He looked at the part-time assessing position and he changed his mind on that and can now agree to it. There are some things that he is not wild about and one of those things is the Community Center. He didn't like the idea of putting the money into it and displacing the seniors at the same time. He hoped with our savings that we could find or build a place for seniors that would be adjoining to the City.

Mayor Hinkley wondered if we could ask the seniors to go to the Gibson House for that period. Mr. Goodlein didn't think we could do that. Mayor Hinkley said he spoke to Pastor Rob at St. Matthews across the street. They have a large facility and their building is paid for. They are looking for ways to help the community. He wondered if the seniors could move there.

Councilmember Kennedy thought this was a great initial concept. His feelings were that seniors overall don't like change. It would be hard for them to be at one location one day and then move to another location the next day.

Mr. Goodlein said that we may want to talk to the people at St. Matthews about entertaining the seniors more than on a temporary basis. He thought that could be a terrific partnership for the City to engage in. Also, he agreed with Mayor Hinkley relative to the City's assets. We do have to find ways to have our assets to generate revenue.

Councilmember Kennedy was still concerned with the displacement of the seniors during the Community Center renovations. He felt it was their Senior Center and it is not going to go good no matter what. He said there are other issues within the Departments that he had to come to grips with and some of this takes him a little while to sink in. He indicated he would be reviewing the budget more and would call staff with questions if he has them. He hoped he would be able to come to the conclusion of what is best for the City. He would not be voting no because this is what is best for the City. Councilmember Kennedy enjoyed this budget and he appreciated everybody's input.

Councilmember Beagle thanked Mr. Goodlein and all of the Department Heads for this budget. He also appreciated whoever took care of arranging the food. He said he heard a lot of good discussion and he hoped it wouldn't stop here. He would like for us to go back

to the Budget Study Sessions and Goal Setting meetings that we had previously. Councilmember Beagle said that there are items in the budget that he doesn't like, but he said his piece. He can support it.

Councilmember Gottschall said he understood the Cultural Center. He didn't think he could support the budget right now but not because of that. He thought we needed a marketing plan. He was fine with making the investment. It would cause him real heartache if we make the investment and the revenue stays around \$40,000. He thought we needed to see \$60,000 to \$100,000 a year in revenue from the Cultural Center. He indicated that he was not in support of enhancements to the barn. He wondered if we should be putting the money first or the marketing plan first. If we put the money first, he felt there should be some kind of consequences if the revenue does not increase. He thought the staff should be out and about selling the Community Center as a rental, not sitting at a desk.

Mayor Hinkley stated that he wasn't in favor of the renovations much himself but he felt the proof was in the pudding. With the renovations, the employees have to look at their jobs differently than they did three or four years ago. The bar has been set. If the expectation has not been met, there should be consequences. He felt that we should have to potential to do revenue of six figures after the renovation.

Mr. Goodlein indicated that he had that very discussion with the employees this morning. They are going to have to do certain things to get the Center rented. He told them that the Council has put their trust in them and they are confident that they can deliver. He noted that one of them has a marketing degree, so that should help.

Councilmember Gottschall suggested that we develop an on-line reservation system. If someone wants to reserve the Community Center, they could do so on-line which would allow the staff to be out and about the town to market the Center. He also suggested that staff go outside of the City limits to secure those contracts.

He said he could support the two full-time positions in the Fire Department because they will pay for themselves. He thought there was more that could be done in the Parks and Recreation Department by paring down activities. He didn't think we have checked all of the boxes. Councilmember Gottschall felt he could not support the budget because we did not save nearly the amount necessary to reduce the millage. If we weren't going to be able to reduce the millage this year, with the projected growing deficit in future years, we wouldn't be cutting the millage then. Mr. Goodlein disagreed. He thought that we might be able to look into it down the road depending on the savings we see with the OPEB and MERS bonding, as well as where we are on all of the projected capital improvements.

Mayor Hinkley thanked everyone for their time and patience during these budget sessions. He felt that the appendixes were very informative for our City and our Council. It has provided us with a path. We won't solve everyone's wants and needs in two nights and one budget. This is a business. There was a time when the Parks and Recreation Department created a lot of revenue for the City. At one time, he thought the soccer program brought in over \$100,000. When we eliminated those positions in the Parks and Recreation Department a few years ago, we shoved that down. Now we are doing the same events with fewer people. He concurred that we are in the position to regrow that and he hoped the Community Center rentals would be successful. The millage is a moving target. He said he thought we would get there though, just not as quick as we may like. The long-term results are much better if they are more thought out. Mayor Hinkley thought it was very important to send a message to the community that the Council is 100% in agreement with this budget. As the Mayor, he was asking the Councilmembers to do that. It is very important that the Council show the staff that we support their work and what they've

brought to the table. It is a budget and it can be adjusted up and down. He felt that in the long run we would have the opportunity to reduce our expenses and lower the millage. If we leave the millage at 3.5 mills this year, we will still be underfunded in four years. He liked what he saw and felt we were doing a good job. He added that tired looking buildings do not get rented. He thanked everyone for working together on this budget.

The meeting was concluded at 11:18 p.m.

Catherine Buck
City Clerk

Approved 5-9-2017
