

Call to Order: Supervisor Collin Walls called the August 28, 2006 Budget Workshop Meeting of the Springfield Township Board to order at 7:00 p.m. at the Springfield Township Civic Center, 12000 Davisburg Road, Davisburg, MI 48350.

Roll Call:

Board Members Present

Collin W. Walls	Township Supervisor
Jamie Dubre	Township Treasurer
David Hopper	Township Trustee
Roger Lamont	Township Trustee
Marc Cooper	Township Trustee
Nancy Strole	Township Clerk

Board Members Not Present

Dennis Vallad

Others Present

Charlie Oaks	Fire Chief
Jennifer Tucker	Parks Director
Rich Parke	Park Commission Chairperson
Dot LaLone	Parks Commissioner

New Business:

1. 2007 Budget Workshop

❖ **Fire Fund:**

EXPENDITURES

Supervisor Walls said he assumed we would borrow \$500,000 for the fire station addition. How and when we do the fire station improvement is still in question but we budgeted as if it would all be done next year.

Clerk Strole suggested spreading out the cost of the audit, with the Fire Fund's portion at \$2,500. The Board concurred. Supervisor Walls said a new line item would be added in the General Expense at \$2,500.

Total General Expense \$74,800

Fire Chief Oaks said he would suggest adding \$3,000 to Personnel/Tuition & Training. The Board concurred.

Total Expenditure \$1,584,200

REVENUES

Total Revenue \$1,580,700

❖ **Police Fund:**

REVENUES

Total Revenue \$1,398,900

EXPENDITURES

Total Expenditures: \$1,398,900

❖ **Cemetery Fund**

Total Revenues: \$600

Total Expenditures: \$0

❖ **Civic Center Debt Fund**

Total Revenues: \$369,300

Total Expenditures: \$369,300

❖ **Cable Fund**

Clerk Strole commented that we have enough in the fund balance to stretch out for quite a few years for operation.

Total Revenues: \$10,600

Total Expenditures: \$10,600

❖ **Building Department Fund**

Clerk Strole said, under support services, accounting and payroll expense is minimal and the suggested amount is too high. Supervisor Walls suggested reducing it to \$0 making support services \$5,250.

Treasurer Dubre noted that the Building Department is doing services in other areas such as assessing that are charged off to the General Fund. Trustee Cooper asked if we could lower the loan amount then by \$7,250 in return. Supervisor Walls said, yes. This would make the General Fund loan amount \$72,080 instead of \$80,000.

Total Revenues: \$250,800
Total Expenditures: \$250,450

❖ **General Fund**

Supervisor Walls noted that we received an invoice from Independence Township for the NO HAZ program for just under \$3,500, which is significantly lower than we budgeted.

Supervisor Walls said that Trustee Vallad wrote a memo stating that he feels the transfer of unallocated fund balance up to \$100,000 would be acceptable if the ending balance for 2006 would be about \$600,000. Supervisor Walls said he doesn't know where the \$100,000 would come from because in his opinion, our ending fund balance in the General Fund unallocated fund balance will be close to \$600,000. He set out with a concern that we should not let the fund balance get any lower than it is and put the budget recommendation together accordingly.

Clerk Strole said she thinks we should include the library for their portion of the operation of the Civic Center and it was her understanding that with the passing of their millage, it was their intent to pay their share of the Civic Center operation. Supervisor Walls said it would be about \$60,000 and should be a new line item. The Board concurred.

Regarding Phase II, Supervisor Walls said he would rather have it be its own cost center and its own revenue center and then he can figure out how much planning fees Springfield is actually paying for Springfield related items. Clerk Strole agreed.

Clerk Strole suggested budgeting \$7,000 for elections versus the \$5,000 suggested by the Supervisor and allow her to split the funds any way she feels necessary. She further suggested considering a 3% to 4% salary raise across the Board for employees and a 15% increase for Blue Cross/Blue Shield increases. She did not feel any raises should be considered at this time. The Board concurred to change Contingency to \$27,900 and the Supervisor Cost Center becomes \$144,850. Assessor Cost center becomes \$181,000. Clerk's Cost center becomes \$215,100.

Regarding the Community Development Expense, Supervisor Walls noted that he did not include any administrative expense but it has become a nightmare. He suggested raising the budget to \$20,000.

Clerk Strole suggested making Phase II a separate cost center budget of \$30,000. The Board concurred. Clerk Strole asked if we should have a revenue line item to reflect monies received from other funds for the cost of the audit? Supervisor Walls said, yes.

Treasurer Dubre noted that the \$15,000 gift to the Library is in the wrong spot. Supervisor Walls said it was in CDBG and the contribution should be made \$0 instead of the \$5,000 he suggested and Community Development Expense should be \$20,000 not \$15,000. There were no objections.

Total increase in Revenues - \$67,000 to \$2,327,000
Total increase in Expenditures - \$4,000, to \$2,319,400

❖ **Parks and Rec Fund & Shiawassee Fund**

Mr. Rich Parke, Chairperson of the Park Commission noted that their original intent was not to request more than what they had received last year. However, after going through the budget, it was not possible. The major items they are requesting are funds to repave the Hart Center parking lot. They have \$60,000 set aside for that and must be repaired soon. Mr. Parke said they were able to get the Shiawassee Basin Preserve budget down to a request of \$40,000 by making a contribution from Parks and Rec and taking some Prior Year Fund Balance.

Clerk Strole asked what they are budgeting for the Year End Balance at the end of 2006? Jennifer Tucker said \$70,000 is estimated. Clerk Strole said, if they are trying to keep the request to \$360,000 exclusive of the parking lot and they couldn't without going \$15,000 over, why not just take the \$15,000 from the fund balance and bring the fund balance down to \$55,000? Mrs. Tucker's response was inaudible.

Trustee Cooper said Parks is requesting a 20% increase while everyone else is taking a cut in their line items and he has a real problem with that. Mr. Parke said if they exclude the parking lot, the 20% increase decreases to about 3 ½% to 4%.

Treasurer Dubre said she has a concern because Parks is basically planning on not cutting out anything and dipping into Fund Balance for the next four years. That frightens her because if they foresee they need fund balance for the next four years to operate then they are looking at it the wrong way in her opinion. Parks should be looking at a different method to maintain revenue other than fund balance that was given by the General Fund, as ours is depleting also.

Mr. Parke said if the Board needs them to take the Fund Balance down now, then they will do so. As far as looking at other sources of revenue, he said they are tapped out. He thinks the revenue that is generated within the Parks Department is impressive.

Supervisor Walls said, whatever we do to fund everything Parks is asking for, we have to cut or find \$140,000. We could lay off two people and still could not find \$140,000, although it would be close to \$100,000. Supervisor Walls said he could not justify doing that because he is looking at a budget that still has about a \$10,000 shortfall in the baseball/softball program. Supervisor Walls said any new program, in his opinion, must be fully funded and Parks is not doing that.

Mr. Parke said, for example, the Clerk's department would not expect to fund their entire operation through what they charge for copies and services, and Parks is no different. He said the bottom line is that this Board has endowed this Township with over 550 acres of gorgeous park lands and those park lands need to be maintained and that costs money. Mr. Parke said he gets the impression that Parks is viewed as "freespending boobs." Overall he is sure that the decisions they have made will be proven to be good, sound and financially appropriate.

Treasurer Dubre said no one on this Board thinks it does not need to be funded, it is a matter of the level of funding where there are significant differences.

Trustee Cooper said he thinks we should grant the same amount as last year and the Park Commission could work within that money to help fund the Hart Center parking lot also.

Trustee Vallad suggested in his written memo, contributing \$375,000 with \$60,000 of that being dedicated to the parking lot. Clerk Strole said she would concur with that suggestion. Trustee Lamont said he would also concur with Trustee Vallad but if the General Fund year end balance is being reduced he feels Parks should also reduce their year end fund balance.

Trustee Hopper said he would concur with Trustee Cooper's suggestion of the same as last year and that amount would include their parking lot. He believes that the baseball programs must be self-funded.

The Board concurred they would like to grant \$375,000 but they do not know where it would come from. The majority of the Board agreed with \$360,000 and concurred that it must include \$60,000 for the parking lot project. Treasurer Dubre suggested not charging the Parks Department for services. The Board concurred.

Clerk Strole commented that she does not think in all circumstances programs like Parks should always be viewed as having to be profit centers or always self-supporting in every instance.

Regarding Shiawassee Basin Preserve, The majority of the Board agreed to \$20,000.

Supervisor Walls said by the time we go to Public Hearing, he can have a revised Building Department Budget that will be at least \$50,000 less. He would not vote for it but he will have it because it will require losing two people. Supervisor Walls said he would not lose two people and vote in favor of it to see increased staff in another department; it does not make sense. Trustee Cooper said we should not cut people. Supervisor Walls said that is the only way to find the money for Parks. Clerk Strole said she did not have that information until just now and we

could re-look at this. Trustee Lamont said he would not agree to reducing staff to cover Parks. Supervisor Walls said we could not have it both ways and we are headed down a bad road.

Treasurer Dubre noted that Parks & Rec expenses thru June were \$206,000. They have a budget of \$537,000. If you multiply that by two, they are at \$412,000, which is under. Historically Parks has never met their budget and are under. There is no way she is for giving additional money either. The estimated fund balance cannot be positively right, if they spent that much money, they still have \$200,000 yet to come just from the General Fund. There is no possible way that is the low end number of their Fund Balance.

Supervisor Walls said we don't have to adopt the budget by the end of October now like we used to. This will give us time to figure this out and come back to the Board. The Board concurred.

The Board concurred they will not reduce staff to increase staff in another department.

Supervisor Walls asked the Parks Department if they would rather look at a number in both the Shiawassee and the Parks from the General Fund that was guaranteed bottom line or the number that is more reasonable and they review it at the same time? Mr. Parke said there are two ways for them to approach this. One is to continue operations until they simply run out of money and close up shop. The other option is to go to a skeleton crew even though each program they drop, they would lose \$5,000 in revenue. Therefore canceling programs can trim dollars but he does not see cutting certain programs. Mr. Parke said the Township is obviously not prepared to allocate the resources that they have to parks. He suggested that if the Township cannot support their parklands, they should sell some of them.

The Board concurred that \$325,000 to Parks and \$20,000 to Shiawassee would be the bottom line. Supervisor Walls said we do not have to increase contingency.

The Board agreed to hold the Budget Hearing on Tuesday, September 26, 2006 at 8:00 p.m. and hold the Softwater Woods hearing at 7:00 p.m.

Adjournment:

Hearing no other business, Supervisor Walls adjourned the meeting at 9:50 p.m.

Collin W. Walls, Township Supervisor

Nancy Strole, Township Clerk

Budget Workshop 2007 Springfield Twp. Board
August 28, 2006