



Special Meeting
6:00 p.m., Thursday, January 11, 2018
City Council Chambers
23600 Liberty Street
Farmington, MI 48335

FINAL

SPECIAL MEETING MINUTES

A special meeting of the Farmington City Council was held on January 11, 2018, in Farmington City Hall, Farmington, MI. Notice of the meeting was posted in compliance with Public Act 267-1976.

The meeting was called to order at 6:03 p.m. by Mayor Steve Schneemann.

1. ROLL CALL

Attendee Name	Title	Status	Arrived
Sara Bowman	Mayor Pro Tem	Present	
William Galvin	Councilmember	Present	
Joe LaRussa	Councilmember	Absent	
Steve Schneemann	Mayor	Present	
Maria Taylor	Councilmember	Present	

City Administration Present

City Clerk Halberstadt
City Manager Murphy
City Treasurer Weber

2. APPROVAL OF AGENDA

Move to approve the agenda as presented.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Councilmember Galvin
SECONDER:	Mayor Pro Tem Bowman

3. PUBLIC COMMENT

No Public Comment was heard.

4. CLOSED SESSION – CONTRACT NEGOTIATIONS

Move to enter closed session to discuss contract negotiations.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Mayor Pro Tem Bowman
SECONDER:	Councilmember Galvin
ROLL CALL:	Galvin, Schneemann, Taylor, Bowman

Council entered closed session at 6:04 p.m.

Move to exit closed session.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Councilmember Taylor
SECONDER:	Mayor Pro Tem Bowman

Council exited closed session at 6:25 p.m.

5. DISCUSS BUDGET/5-YEAR FORECAST

Treasurer Weber provided a five-year forecast for the General Fund [forecast attached] and discussed the assumptions on which the figures were based.

Discussion followed regarding development and turnover in surrounding cities and the importance of fostering growth opportunities in Farmington.

Council requested that City Administration calculate how much TIF revenue would need to increase in order to eliminate the City's subsidies to the DDA. Weber pointed out that once they start to generate more revenue they will need to invest some of those funds in order to increase their revenue. Further discussion ensued about other areas that could benefit from the DDA becoming more autonomous.

Galvin noted all of the cost cutting measures including pay cuts made over the last ten years has not impacted the downward trend of the budget.

Discussion followed regarding options for generating more income.

Galvin spoke about the need for civic engagement to address the deficit problem.

6. OTHER BUSINESS

Murphy advised the City's agreement with the DDA expires in June. He asked whether Council would like to extend the current agreement another year or develop a new one to start to wean them off the City's budget?

Discussion followed regarding the history of the current agreement and the benefits of the DDA becoming autonomous.

Schneemann re-emphasized the need to know the subsidized numbers.

Galvin confirmed the DDA Board would like to move back to being autonomous.

7. COUNCIL COMMENT

Galvin stated the purpose of the forecast document is not to scare the public, but to point out concerns and map out a plan going forward.

Schneemann agreed with Galvin and added that it is important the public not be ignorant to the fact that the budget is facing challenges.

Galvin would like to use the forecast as a catalyst for a civic engagement project to discuss the future sustainability of the City.

8. ADJOURNMENT

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Councilmember Galvin
SECONDER:	Mayor Pro Tem Bowman

The meeting adjourned at 7:15 PM.

Steve Schneemann, Mayor

Susan K. Halberstadt, City Clerk

Approved as Amended: February 20, 2018

**CITY OF FARMINGTON
FIVE YEAR FORECAST**

GL NUMBER	DESCRIPTION	2015-16 ACTIVITY	2016-17 ACTIVITY	2017-18 Amended	2017-18 Projected	%Incr.	2018-19 FORECAST	2019-20 FORECAST	2020-21 FORECAST	2021-22 FORECAST	2022-23 FORECAST
Fund 101 - GENERAL FUND											
<u>Revenues by Source</u>											
	Property Taxes	4,370,311	4,439,690	4,624,175	4,624,175		4,759,934	4,899,734	5,043,695	5,191,943	5,344,604
	Licenses and Permits	203,230	152,324	166,200	166,200		143,000	145,836	148,729	151,679	154,689
	Federal Grants	22,720	36,138	23,622	33,876		23,622	23,622	23,622	23,622	23,622
	State Shared Revenues	1,057,740	1,140,455	1,056,428	1,097,917		1,077,748	1,095,687	1,113,986	1,132,650	1,151,687
	Charges for Services	2,051,924	2,009,507	2,037,217	2,046,967		2,114,987	2,194,120	2,237,766	2,282,579	2,328,851
	Fines and Forfeits	429,913	482,539	455,500	455,500		455,500	455,500	455,500	455,500	455,500
	Other Revenues	211,516	320,394	211,360	221,360		223,123	224,922	226,756	228,627	230,536
	Transfers, Capital Improvements	112,326	0	254,000	254,000		0	0	0	0	0
		8,459,680	8,581,047	8,828,502	8,899,996		8,797,914	9,039,421	9,250,053	9,466,600	9,689,488
<u>Expenditures by Function</u>											
	General Government	1,737,533	1,814,038	1,987,336	1,979,509		1,857,701	1,875,105	1,932,863	1,969,788	2,022,919
	47th District Court	478,689	465,397	528,260	528,260		495,000	504,900	514,998	525,298	535,804
	Public Safety	3,451,850	3,597,880	3,776,261	3,827,587		3,902,100	4,066,238	4,213,708	4,365,017	4,464,219
	Public Works	1,078,706	1,072,616	1,167,773	1,161,659		1,132,574	1,153,774	1,175,312	1,195,996	1,217,790
	Economic/Community Development	274,026	194,217	229,549	229,514		180,043	182,374	184,753	187,183	234,664
	Health Welfare	5,864	5,978	7,359	7,270		7,504	7,652	7,804	7,958	8,115
	Recreation and Cultural Services	707,668	830,867	757,685	749,404		756,895	771,388	786,158	800,521	815,610
	Transfers to Other Funds	695,471	693,200	717,607	717,607		736,643	747,002	759,196	750,738	764,042
		8,429,807	8,674,193	9,171,830	9,200,810		9,068,459	9,308,433	9,574,792	9,802,498	10,063,162
	NET OF REVENUES/APPROPRIATIONS - FUND 101	29,872	(93,146)	(343,328)	(300,814)		(270,544)	(269,011)	(324,739)	(335,898)	(373,674)
	BEGINNING FUND BALANCE	2,621,335	2,651,207	2,558,061	2,558,061		2,214,733	1,944,189	1,675,178	1,350,439	1,014,541
	ENDING FUND BALANCE	2,651,207	2,558,061	2,214,733	2,257,247		1,944,189	1,675,178	1,350,439	1,014,541	640,867
	Total Fund Balance as a % of Expenditures	34.3%	32.1%	26.2%	26.6%		23.3%	19.6%	15.3%	11.2%	6.9%

**CITY OF FARMINGTON
FIVE YEAR FORECAST**

GL NUMBER	DESCRIPTION	2015-16	2016-17	2017-18	2017-18		2018-19	2019-20	2020-21	2021-22	2022-23
		ACTIVITY	ACTIVITY	Amended	Projected	%Incr.	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
		2,651,207	2,558,061	2,214,733	2,257,247		1,944,189	1,675,178	1,350,439	1,014,541	640,867
	LESS RESTRICTED FUND BALANCE										
	Prepaid/Inventory	(91,880)	(69,398)	(69,398)	(69,398)		(69,398)	(69,398)	(69,398)	(69,398)	(69,398)
	Drakeshire Debt	(184,000)	(174,400)	(84,800)	(84,800)		0	0	0	0	0
	Theater Debt	(30,000)	0	0	0		0	0	0	0	0
	Next Year's Budget Appropriation	0	(343,328)	(270,544)	(270,544)		(269,011)	(324,739)	(335,898)	(373,674)	(373,674)
	Cemetery	(46,259)	(46,259)	(46,259)	(46,259)		(46,259)	(46,259)	(46,259)	(46,259)	(46,259)
	Other	(45,900)	(459,000)	(459,000)	(459,000)		(459,000)	(459,000)	(459,000)	(459,000)	(459,000)
	UNRESTRICTED FUND BALANCE	2,253,168	1,465,676	1,284,732	1,327,246		1,100,521	775,782	439,884	66,210	(307,463)
	Unrestricted Fund Balance as a % of Expenditures	26.7%	16.9%	15.2%	15.6%		13.2%	9.1%	5.0%	0.7%	-3.3%