

Present: Council President Downey; President Pro-Tem Domzal; Members: Mooney, Pfeifer, Schmitt, Stearn and Woodrow

Absent: None

Also Present: Village Manager, Murphy

President Downey called the Council budget study session to order at 6:30 p.m. in the Public Safety Department building conference room at 18600 W. Thirteen Mile Road.

Included in the information distributed for the work session are copies of updated five-year revenue and expenditure projections and the Capital Improvement Program from 2002/03 to 2007/08. The sheets reflect information discussed at the previous work session and include other minor modifications that have developed since that time.

Murphy informed Council that, now that construction design is in progress, he has received updated cost estimates and construction schedules for the Acacia Interceptor relief project from Hubbell, Roth & Clark. The information will be distributed to Council after administration meets with the City of Birmingham to discuss the timing and payment schedules.

Council reviewed and discussed the updated five year capital improvement plan. Comments and questions were addressed by Murphy. A few modifications suggested by Council will be reflected in a revised draft.

There was discussion of the five year projected revenues and expenditures report for the Major and Local Road Funds, Water & Sewer Operating Fund, and the General Fund. The report was designed to anticipate as realistically as possible where the Village will be five years into the future. There was agreement that it is important to consider how to proceed in view of the decreasing General Fund balance. The Village will have to use the fund balance to address its capital and operating needs.

Murphy expressed the view that Council will either have to ask the voters to approve a Headlee override or seek ways to be more cost efficient. In an attempt to do this, Murphy proposed that Council consider conducting a management audit of the organization. This would entail having an outside party analyze how and where the Village is spending its money and whether there are efficiencies to be made in the organization.

Council discusses the proposal. The cost of the study was estimated at \$10,000. It could provide credibility with the voters because it would show that Council has explored all options before requesting a Headlee override. A suggestion was made that the management audit should examine the Public Safety Pension Fund.

Murphy also asked that Council consider performing a community wide strategic plan. The undertaking would present an opportunity to sound out the general public and to solicit input on whether the Village is delivering services that residents would like to have. Murphy proposed doing this in the next fiscal year or in the following year if Council prefers.

Council members expressed their views on the management audit and the community strategic plan. Both proposals and cost estimates will be included in the draft budget for further consideration.

It was suggested that the Village Manager give a brief “state of the Village” presentation at a Council meeting in February on the basis that residents would benefit by an explanation of the Village’s direction and financial position. Council discussed the concept.

Motion by Mooney and seconded by Stearn to adjourn the meeting at 8:54 p.m.

Motion passed (7 – 0).

Doyle Downey
Council President

Ellen E. Marshall
Village Clerk

Susan Bernard
Recording Secretary