

**WORK SESSION
MONDAY, OCTOBER 24, 2005
6:00 to 7:30 p.m.**

**THE VILLAGE OF DEXTER
VILLAGE COUNCIL**

Dexter Senior Center, 7720 Dexter Ann Arbor Road

2006/07 BUDGET PLANNING WORK SESSION

Attendance: Council - Semifero, Cousins, Seta, Keough, Carson, Walters. Staff: Dettling, Bishop, Hanifan

1. Establish Goals and Objectives for 2006/07
 - Further refine, add and remove objectives

Discussed the desire to change FY to July, or remove this from the list of objectives. Council decided to add this item to the regular agenda at tonight's meeting during approval of the agenda for consideration of changing the Fiscal Year to July 1st.

Discussed minutes from the last work session and time-line to send out an RFQ for a Financial Analyst. Concern brought up that Council had not authorized sending out RFQ's for services of a Financial Analyst. This item will also be added to the regular agenda at tonight's meeting.

Briefly discussed the intent of the budget planning work sessions, and confirmed the understanding that formal action is not taken at work sessions. Similar to last year, broad policy objectives are discussed and recorded on the "Goals and Objective 2006-2007" template. Policies can change from year to year and action to implement these objectives can appear on the agenda from time to time throughout the year. Many of the objectives will be discussed and implemented as the budget is being created. Others for example, the Farmer's Market from last year's objectives appeared on an agenda in July as a recommendation to develop a Farmer's Market Operating Plan.

Discussed Council's desire to continue the tax rate increases to keep the taxpayer net taxes the same each year. It was proposed that we might want to keep the Street Millage rate constant. The street millage rate could stay constant until it hits the headlee reduction requirement. I have attached an email from Marie that illustrates the reduction in street revenue starting with FY 2006/07.

The question was raised about linking the CIP document to the Goals and Objectives set by Council. It is understood that only Council has the authority to determine how dollars are allocated. When Council works on the budget and reviews the CIP items recommended by the PC, typically decisions to fund a particular CIP will support and help the Village achieve the budget objectives as established on the Goals and Objectives list. **A Goals and Objectives 2006/07 list is attached. Please review and let me know if this list accurately reflects our work session discussions.**

Council briefly discussed several important decisions that need to be made in 2005 early 2006. Below is a list of these decisions, along with alternatives for each. The alternatives listed are for

discussion purposes only. This is not an exhaustive list; additional discussion with exclusion of or expansion of alternatives is necessary.

SPECIFIC POLICY DECISIONS THAT NEED TO BE MADE

1) Decide what to do with LDFA Capture from FY 2004/05 and FY 2005/06 approximately \$600,000 total General Fund and \$180,000 Streets Funds.

- Pay Down Rural Development Debt
- Place in CIP for projects in 2006/07
- Move to restricted Facility Improvement Account
- Use funds to remove Mill Creek Dam
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2) Decide what to do with LDFA Capture for upcoming FY 2006/07, approximately \$300,000 in GF and \$90,000 in Streets Funds.

- Earmark \$200,000 GF dollars to offset RD Water and Sewer Debt payments. LDFA was redirecting \$291,000 to Village for debt payments.
- Earmark \$100,000 for GF Bond payment, IF the Village decides to Bond for facility improvements
- Reduce the tax millage rate
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3) Determine Water and Sewer Rates necessary to meet obligation with and without earmarked \$200,000 from GF, or various amounts of GF earmarked.

- FA would layout a plan to pay off RD Debt by 2021 using a proposed rate structure, tap fees (variable), and GF dollars allocated (variable) to Water and Sewer Funds.
- After 2021 Tap Fees would be used for Repair and Improvements of the Water and Sewer Systems
- After 2021 put GF dollars allocated for Water/Sewer debt back into GF
- Possibly reduce water and sewer rates after 2021
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4) Determine water and sewer immediate and long-term system improvements

- Water and Sewer Studies will provide options for short-term and long-term system improvement needs.

Respectfully Submitted:

Donna Dettling, Village Manager

Approved for Filing: November 14, 2005