

**CHARTER TOWNSHIP OF DELTA**  
Public Meeting Room A  
Delta Township Administration Building  
7710 West Saginaw Highway  
Lansing MI 48917

**TOWNSHIP BOARD SPECIAL MEETING MINUTES FOR  
MONDAY, SEPTEMBER 28, 2009**

**I. CALL TO ORDER**

Supervisor Ken Fletcher called the meeting to order at 6:00 p.m.

**II. OPENING CEREMONIES – Pledge of Allegiance**

**III. ROLL CALL**

Members Present: Supervisor Ken Fletcher, Clerk Janice Vedder,  
Treasurer Pizzo, Trustees Jan Cunningham, Jeff Hicks, Barb  
Poma, and Cara Spagnuolo

Members Absent: None

Others Present: Manager Richard Watkins, Finance Director Jeff Anderson, and  
Executive Secretary Kathy Ernst.

**IV. DISCUSSION ITEM**

**Proposed 2010 Township Budget**

Mr. Anderson provided an overview of the Township's 2010 Budget via a power point presentation. He reviewed the process in which departmental budget information was prepared, reviewed by the Manager's office, and incorporated into the budget document. He noted that the budget was prepared in accordance with the Michigan Uniform Accounting and Budget Act and that the budget followed the goals and the Township's priorities as stated in the Township's Strategic Plan. Mr. Anderson reviewed the goals and priorities contained in the budget, the level of services that were maintained, and a support for green initiatives including Greener Delta, the purchase of two electric vehicles, and the fact that department heads had been asked to come up with ways to decrease fuel consumption by 10%. He noted that the budget included increased grant opportunities, performance measurements, and fiscal responsibilities for a balanced general fund budget. Mr. Anderson indicated that the main source of revenue was a combination of property taxes and taxes received from the 425 Agreement with General Motors, water and

sewer revenues, revenues generated by the Parks & Recreation Department, ambulance services, and revenue sharing. Mr. Anderson noted that there were three major categories in regards to expenditures being personnel services, police and fire services, and supply which included water purchases.

Mr. Anderson said as the budget was being prepared, there were challenges due to significant decreases in revenue over the past three years in interest rates and interest revenue, the reduction in building activity, and the reduction in State Revenue Sharing. He noted that the budget contained a 20% reduction in statutory revenue sharing, a 10% increase in health care benefits, and an increase in police services within the Township. Mr. Anderson proceeded to review the General Fund where a majority of the Township's expenditures and revenues occurred. He noted that the Township's Other Post Employment Benefits Liability and Other Post Employment Benefits annual report contribution was up to approximately \$4 million and that the total liability was approximately \$9 million. Mr. Anderson proceeded to review major changes that had occurred in the budgets of each Township department, as well as on the Township's general activity which he referred to as discretionary spending and the major expenditures in this area which included health insurance. He noted that since 2006, the Township had funded the annual required contribution, as well as the retiree premiums, out of the general activity. He noted that the proposed budget matched the contribution to the trust and the premiums to achieve the total annual required contribution. He pointed out that the Township was still funding the annual required contribution at 100%, but the Township was not overfunding the budget which was a change from the prior year. He also provided a brief summary of the Township's minor funds being the Improvement Revolving Fund, Ambulance Fund, Economic Development Corporation Fund, Debt Service Fund, and the Budget Stabilization Fund.

Mr. Anderson addressed the Water & Sewer Funds by noting that the Township accounted for these funds by using the accrual method of accounting. He noted that when the Township spent money for pipe, it wasn't considered expense, but rather it was capitalized as an asset. He said when the Township issued debt; it was considered a liability rather than expenditure. He noted that for budget purposes, the Township used the modified accrual basis which he felt provided a better picture of the Township's cash position. He noted that revenues in the Utilities fund were down 3% from 2009, but revenues were actually up slightly from where the Township would end up in 2009. He also touched on repairs that would have to be done to the Township's water towers and the utilization of a radio meter reading system in the near future. Mr. Anderson indicated that the Budget and Finance Committee spent a lot of time on the three year projection in that department heads were asked to provide all of their capital needs for the last three years and any unusual or extraordinary expenditure they would have in the next few years. He felt the Township could achieve a balanced budget for 2010 and use it as a year to work together in an attempt to come up with strategies for 2011, but he

felt at some point in time, the Township Board would have to discuss the potential shortfalls in the Township's 2011 fund balance.

The Board discussed the Township being more proactive in regards to economic development and whether the vacancy in the Manager's Office should be filled. Board members discussed the view that this was the time the Township should be focusing on promoting the community and attempting to attract new business to the area and alternative ways of doing so whether by better utilizing the existing EDC Board, or by utilizing existing Township personnel to promote economic development.

Mr. Watkins noted that in the past, the Township had funded the EDC Board with bond issues and the Township charged a fee to issue a private activity bond, but this method was no longer viable. At this point, there was no funding for EDC other than funds that had been accumulating interest. Mr. Watkins indicated that economic development was a daily function of the Manager's Office and he didn't feel that the absence of an Assistant Manager had a large impact on economic development in the way the Township viewed economic development. He felt the Township needed to be involved in discussions with the creation of a regional "Metro Council" who would be working cohesively with municipalities in promoting the local economy.

It was noted that the Township needed to prioritize its needs and place more emphasis on attracting the younger generation. It was felt that the Township needed to continue with connecting the sidewalk system, utilizing public transportation, and making the Township an attractive community where people wanted to live.

It was the consensus of the Board that the Manager's Office continues to operate without the position of an Assistant Manager and that existing personnel be utilized to promote economic development.

A question was raised regarding the elimination of part-time positions in the Fire Department.

It was indicated that there were 10 part-time firefighters and not 20 as previously noted. Discussion ensued regarding the options to increase additional training for the Fire Department such as on-line training and internal training by partnering with other municipalities in the area.

Mr. Watkins noted that he would be presenting the Public Safety Committee with a consortium agreement which included Lansing Community College and the

surrounding governments. This agreement would provide the Township access to grants through LCC and also provide more cooperation between departments and their training on a regional basis.

Questions were raised as to the last time the Township's Community Center rental fees were reviewed and whether the Township should be looking into a two-tier rental system, one for residents and one for non-residents.

Mr. Watkins noted that he would report back to the Board regarding this issue.

The Board felt the Public Safety Board should review the logistics of the Sheriff Department's Delta Patrol staffing and the upcoming needs of the Township's residents in view of future contracts with the Eaton County Sheriff's Department.

The Township had received complaints from the larger apartment complexes' owners that the Township's inspection fees were excessive and that the Township was attempting to use the fees to balance its budget. It was indicated that this was not the case and that the Township prepare a one page document that could be available to Township residents that outlined the Township's Building Department expenditures regarding the inspection fees.

A request was made for the Township to accept #5 plastic at the Township's Recycling Center. It was noted that the Township's contractor for the center did not collect #5 plastic because there wasn't a market for the material. The Board requested inquiries into the future possibility of collecting #5 plastic.

The Board discussed the Planning Department's lack of a secretary. It was felt that the department had a need for clerical help.

Mr. Watkins stated that other staff in the Administration Building would be available to assist the Planning Department's clerical needs.

Board members felt the "performance indicators" while important to measure performance in each department budget, had some unintended consequences. In some cases, it appeared as if the department's activity was less while their budgets were increasing.

Mr. Anderson stated that the indicators showed changes in activity level in departments as it related to the budget. He felt the Board needed to have a discussion on performance measures and he felt the Township should continue to use the indicators

The consensus of the Board was to have administration further explore the choice of indicators being used and bring this issue back to the Board for their review.

It was noted that the Parks Department was looking at being more creative and efficient with its staffing, especially its temporary and part-time staff. In addition, their staff will be looking at the entire operations as a whole regarding cost savings and will be tracking expenditures for its different events.

It was noted that the Non-Motorized Transportation Plan contained the funds for the east-west pathway along Creyts Road, as well as the installation of sidewalks.

Board members discussed the current policy of having a six month undesignated monies in the reserve fund to be used for future budget deficiencies. It was noted that the Township had an additional \$450,000 in the budget stabilization fund which could be considered inconsistent with the Township's policy. A few Board members suggested that the Board review the existing policy. The overage in the undesignated fund could be used to balance future budget deficiencies, produce interest income, or there could be better uses for these funds. A few Board members felt that the Township had been prudent in providing outstanding services to its residents and that a nine month future balance would be desirable in these economic times. Members requested this item be brought back for future discussion.

**V. ADJOURNMENT**

Supervisor Fletcher adjourned the meeting at 8:53 p.m.

**CHARTER TOWNSHIP OF DELTA**

JANICE VEDDER, TOWNSHIP CLERK

KENNETH FLETCHER, TOWNSHIP SUPERVISOR