



CITY OF BURTON
BURTON CITY COUNCIL MEETING
JANUARY 4, 2018
MINUTES

Council Chambers

Regular Meeting

7:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Tom Martinbianco at 7:08 PM.

A. INVOCATION LED BY: TOM MARTINBIANCO

B. THE PLEDGE OF ALLEGIANCE IS LED BY: TOM MARTINBIANCO

C. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Vice President	Present	
Steven Heffner	President	Present	
Christina Conley	Councilwoman	Present	
Danny Wells	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Vaughn Smith	Councilman	Present	

D. STAFF PRESENT

Paula Zelenko, Mayor
Sue Warren, HR Director
Charles Abbey, DPW Deputy Director
Micheal Odette, Lieutenant

Rik Hayman, Chief of Staff
Bob Slattery, DPW Director
Ginger Burke-Miller, Controller
Amanda Doyle, City Attorney

E. APPROVAL OF MINUTES

None.

F. ADMINISTRATIVE REPORTS

Mayor Zelenko stated, we were successful in obtaining funding through the Genesee County Treasurer Out County Demolition Fund Program for the demolition of nine Burton properties. A tenth property is still under consideration. The County will begin the process with environmental surveys and utility disconnects soon. A request for matching funds committed in your application will follow shortly. Please note that if significant issues are identified, projects may be determined unfeasible due to costs. Good work, Amber! I do have a spreadsheet on these properties and will make this available to you. I would like to bring your attention to a couple items on the agenda. Item #6 is the beginning of the fifth and final phase of the DWRP water main replacement for the Tower District. Items #7 and #8 are regarding the appointment of Karen Moffitt as the City of Burton Treasurer. As reflected in my memo in your packet, because Mr. Bingaman gave ample notice of his plans to retire, the administration was able to advertise the upcoming vacancy, generate a number of applicants, and hold interviews with the top six candidates. All six final candidates were impressive, only two had the necessary qualifications that included local governmental finance experience. City of Burton Deputy Controller Karen Moffitt was the

top candidate. I am requesting your confirmation of my appointment of Ms. Moffitt as the City Treasurer at the January 4, 2018 regular City Council meeting. As you can see from her letter of application and resume, she is well qualified for the position. In addition, due to her current position with the City of Burton, she is familiar with all our operations and has been active with recommendations for improvements. Most recently, Karen has been an important part of instituting updated internal controls, taken on the role of mentor in managing and teaching employees the new purchase order system, and has re-established supply inventories. Kevin Sylvester from the Drain Commissioners office is here tonight to answer any questions you may have.

Mr. Heffner stated, I have received three complaints this week from businesses on Center Road regarding the house across the street from Bishop Construction. I thought this was on the demolition list a year or two ago.

Mr. Abbey said the owner came in and requested more time on this to demo himself. He has since listed this with a realtor and we will send him a letter asking what his intentions are. He is still on the demo list, so if he doesn't take care of it, we will.

G. COMMITTEE REPORTS

None.

H. AUDIENCE PARTICIPATION

Rick Fuhst of Burton spoke regarding the sewer rates that have tripled since 2001.

Lori Tinnin of Burton spoke regarding the water main project and increasing costs that she feels should be assessed on the people who are benefiting from this.

I. COUNCIL DISCUSSION

Mr. Smith stated the expenditures are above what was anticipated in the City of Burton's mid-year review through November 30, 2017. The City's expenses continue to increase while Burton residents income decreases. According to the newest census, the number of Burton residents in poverty has risen to 21.9% since 2012. Our population is going down, more abandoned homes. In 2013 a millage was passed for the Police. The goal was to obtain financial independence from the General Fund. This goal was not achieved. Our most recent City budget still required our General Fund to fund the Police Department by \$500,000. The year before that we funded the Police Department by \$800,000. We also fund the Fire Department by almost \$900,000. The City is achieving the goal to reduce the City's Pension Liability. The last five years we have put almost \$15 Million dollars into the pension fund and are funded at approximately 41 percent. A healthy pension fund should be funded between 80 to 90 percent. The city has paid, during the past two years, paid over \$2 million towards the pension. However, we have reduced the City's general fund balance from \$1.7 million to a little over \$1 million. Having done all that, we still had to go into our savings on top of the police millage by about \$600,000. Do we continue to pay the pension plan an additional \$1 million per year or do we bring back the 4.707 mills and reduce spending? We need to discuss this and make a decision.

Mrs. Conley stated with everything our residents are paying now, they shouldn't be hit anymore. We agree that we should have a workshop on this.

Mr. Wells said we need to build the city up, fix our roads, fix our infrastructure, bring in businesses, tear down houses that need to be demolished and make this city appealing to bring people in. We need to build our infrastructure from the inside out now. We have to finish the Stantec project.

Mr. O'Keefe in the 5-year forecast bottom line says with the 4.07 millage, at the 5th year we are down to \$253,000. We are talking a difference of \$14 to \$30 per resident. We could cut the MERS contribution or make other cuts. Last year we cut the lower hanging fruit and I don't think it's there anymore. So what we would have to do is cut city services or the state could be involved. We certainly don't want that. The other scenario would be to go back to the millage rate that we have been charging all these years. Two years ago when we reduced the millage .707 percent, saving each resident anywhere from \$14 to \$32, I had not one person come to me about this. We need a workshop with the administration. This needs to be a team effort.

Mr. Haskins stated I am not in support of raising the taxes. But we have done too much, too fast. I understand the need to bring the millage back to 4.707, but I feel that the spending issues that occurred from 2013 to current are some of our problems and I think it needs to be adjusted. If we don't do something with the county pass through we will be in even bigger trouble. We do need a county workshop. If there are options that broken down to us that financially show we are able to reduce the \$1 million that we are putting into MERS, and it's not going to affect our employee's in the long term, then I will look at that. But the numbers that we have got to date, we are not reducing our unfunded liability. Our unfunded liability a couple years ago was around 27% and bring it up to 41% now speaks volume to what this council and administration have done. I don't want to reverse that and go back. But if the numbers and the calculations add up to the right feasibility that we can do that, I don't have any issues with it. Especially if it's going to save the taxpayers money. I do not want to touch that money if it's going to affect our employee's when it comes to their contracts, their livelihood and their careers that they invested their time into this city.

Mayor Zelenko said between administration and council we need to decide what level of service we can provide to the residents.

The council and administration agreed to have a workshop January 16, 2018 @ 5:30 PM.

Mr. Heffner said regarding the water use resolution, I would like this to read prepared by the Acting Clerk instead of prepared by Clerk Teresa Karsney.

Mayor Zelenko said we can change this if you would like. You're not approving her signature, your approving the action item.

Mr. Martinbianco asked if checks signed by various vendors still have Teresa Karsney's name on them. I am growing increasingly impatient with the lack of continuity with the Clerk's office. We need to get this remediated as soon as possible. We need to make sure the citizens are taken care of.

Mr. Hayman said her name is still on there, she is still the City Clerk. The bank says there is no issue with that. When we get a new Treasurer we will make that change, which will be soon.

Mayor Zelenko said the residents are being taken care of and we are on top of the necessary requirements.

Mr. Heffner asked about the construction in the Mayor's office.

Mayor Zelenko said both Police Chiefs have highly suggested we do something to protect anyone who is going to be dealing with the public, specifically that reception area. That's what we are trying to do. The other issue we have is visibility as to where the Mayor's office is actually at. The signage is very inconvenient. Moving the entryway to the Mayor's office straight across from the Treasurer's office brings more visibility, helps with security

not only for our office but for the Treasurer's office also. So this will mean better service for our residents and better security for our employee's.

Mr. Haskins asked where was this budgeted for, I am pretty sure the council voted to take construction out of the line item. Is there an estimated cost?

Mayor Zelenko said City Hall line item maintenance was the bulk of it. I don't have an estimated cost. We are working on it as we can. It is an internal project. We are using our own work force.

Mr. Heffner asked for an update on Officer Corchado and his family in Puerto Rico.

Mayor Zelenko said he was able to go there and get his mother and brother back. He is very appreciative to everyone for their help and the money that was collected.

Kevin Sylvester, representative from the Drain Commissioner's Office spoke regarding the KWA water line, service and charges. He said we just did an extensive meter replacement this past year and the meters are recalibrated for accuracy on a regular basis.

Mr. Martinbianco asked if the bills they send out will be detailed, as far as distribution cost, raw material cost and local cost.

Mr. Sylvester said we would not issue bills to the residents, this would be done through the city. We can give Mr. Abbey from DPW the breakdown of the percentage.

Mr. Hayman asked if the Water and Waste Advisory Board makes its decision on these rates based on the Genesee County Drain Commissioner's Office recommendations.

Mr. Sylvester said the Water and Waste Advisory Board has a subcommittee that works with our staff to look at the cost that we have coming up. The committee of the advisory board will make that recommendation to the full board.

Mr. Abbey said they will bill us monthly and we bill the residents quarterly.

Mr. Heffner asked Mayor Zelenko about new hires.

Mayor Zelenko said we hired two new motor pool servicemen and an administrative assistant. We cannot keep a receptionist.

Mr. Haskins stated it would have been more feasible and cost saving to replace the open receptionist position then to hire an administrative assistant under another contract. The city can't afford to keep hiring people at higher rates. Our cost with labor and employees affects the current employees and where we are trying to move the city when we are going through budgetary issues. This does not help the city's financial issues.

Mayor Zelenko said when you are looking at the other job responsibilities and you're evolving the jobs of each employee in the city you have to make changes. We are doing that.

Council went into recess from 9:25 PM to 9:40 PM.

Mr. Wells would like to see these council meetings start at 6 PM instead of 7 PM due to the length of most of the meetings. The May 7, 2007 meeting where we were talking about water rates, Mr. Laduke said it was discussed at the financing meeting about the President getting with the Mayor to set up a strategic planning committee. This was 10 years ago,

and we are still talking about it tonight.

Mr. Wells said he asked for a list of the people that are being paid out of the water and sewer funds. I did receive this and I don't see any discrepancies.

Mayor Zelenko would like to have a series of goal setting sessions.

J. COUNCIL ACTION

1. Approve and Authorize the attorney billing (A. Doyle) from 12-13-17 to 12-21-17 in the amount of \$4,336.25.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Tom Martinbianco, Dennis O'Keefe
SECONDER:	Duane Haskins, Vice President
AYES:	Martinbianco, Haskins, Heffner, Conley, Wells, O'Keefe, Smith

2. Approve and authorize the Attorney Billing (Masud) 10/2/17 - 10/31/17 in the amount \$5,301.00.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Duane Haskins, Vice President
SECONDER:	Christina Conley, Councilwoman
AYES:	Martinbianco, Haskins, Heffner, Conley, Wells, O'Keefe, Smith

3. Approve and authorize the Attorney Billing (Masud) 11/02/17 - 11/30/17 in the amount \$5,453.00.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Duane Haskins, Vice President
SECONDER:	Christina Conley, Councilwoman
AYES:	Martinbianco, Haskins, Heffner, Conley, Wells, O'Keefe, Smith

4. Budget Amendment (Budget #1991-1994) Approve and authorize the following 2017-2018 budget amendment: Decrease (2003-0000-390.0000 Local Streets-Unappropriated Surplus) by \$26,400; Increase (2003-4063-818.3000 Local Streets-Surface Maintenance-Street Sweeping) by \$26,400. Decrease (2002-4063-818.3000 Major Streets - Surface Maintenance-Street Sweeping) by \$26,400; Increase (2002-0000-390.0000 Unappropriated Surplus) by \$26,400.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Duane Haskins, Vice President
SECONDER:	Vaughn Smith, Councilman
AYES:	Martinbianco, Haskins, Heffner, Conley, Wells, O'Keefe, Smith

5. Approve and authorize the sale of Vacant Lot - Williamson Ave., Parcel No. 59-31-527-097, to give second of two approvals for the sale of this improved parcel to Georgia Casey, 2361 Gibson Rd., Grand Blanc, MI 48439 for the sum of \$350.00 cash or its equivalent and authorizing the Mayor and Clerk to execute any and all documents required to effectuate this sale.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Duane Haskins, Vice President
AYES:	Martinbianco, Haskins, Heffner, Conley, Wells, O'Keefe, Smith

6. Approve and authorize the Mayor and Clerk to enter into an agreement with Stantec Consulting Michigan Inc., 3754 Ranchero Drive, Ann Arbor, MI 48108-2771 for professional engineering services, for Segment 5 – DWRP Water Main Replacement project Construction Services for a total not-to-exceed fee of \$243,000.

RESULT:	CARRIED [6 TO 1]
MOVER:	Duane Haskins, Vice President
SECONDER:	Dennis O'Keefe, Councilman
AYES:	Martinbianco, Haskins, Heffner, Wells, O'Keefe, Smith
NAYS:	Conley

7. Approve and Authorize the Mayor's appointment of Karen Moffitt as Burton's new Treasurer.

Mr. Haskins said the Charter specifically states that this needs to be a Burton resident. I have never supported an appointment that has lived outside the City of Burton. I live firm by the Charter.

RESULT:	CARRIED [5 TO 2]
MOVER:	Danny Wells, Councilman
SECONDER:	Christina Conley, Councilwoman
AYES:	Martinbianco, Heffner, Wells, O'Keefe, Smith
NAYS:	Haskins, Conley

8. Approve a waiver of residency as allowable under the Burton City Charter, Section 3.3, for Karen Moffitt of 16481 Vintage Drive, Fenton, MI 48430, to take office as Burton's new Treasurer.

Mr. Wells and Mr. Smith said they have heard great things on the work Ms. Moffit is doing. Mr. Wells asked if we have a Charter Committee.

RESULT:	CARRIED [5 TO 2]
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Danny Wells, Councilman
AYES:	Martinbianco, Heffner, Wells, O'Keefe, Smith
NAYS:	Haskins, Conley

9. Approve and authorize the Treasurer to adjust the City of Burton's water usage commodity charge from \$6.48 to \$6.67 per 100 cubic feet (includes system losses) in accordance with the pass through increase from Genesee County Water and Waste of \$0.18 per 100 cubic feet of usage, and to adjust the Readiness To Serve charge per meter on all active domestic metered water accounts to be increased \$3.98 monthly.

Mr. Martinbianco said I would like to amend this motion and break it down to read:

9 (A). Approve and authorize the Treasurer to adjust the City of Burton's water usage commodity charge from \$6.48 to \$6.67 per 100 cubic feet (includes system losses) in accordance with the pass through increase from Genesee County Water and Waste of \$0.18 per 100 cubic feet of usage.

9 (B). Approve and authorize the Treasurer to adjust the Readiness To Serve charge per meter on all active residential, commercial and industrial metered water accounts to be increased \$3.98 monthly.

Mr. Wells said I would just like to clarify that this is \$3.98 monthly for every meter.

Mr. Hayman said that is my understanding, yes.

Mr. Martinbianco asked was there ever an asset analysis done, now that they have the new water system in place, to figure out the actual cost over the period of time they are talking about? How did they come up with \$3.98 monthly per meter?

Mayor Zelenko said she will find out.

Mr. Heffner said the State has just ordered all of the energy companies to figure out a way to pass on the savings with tax breaks to their customers. I am hoping the water and waste board will see that savings and maybe decrease this charge. We pass the increase on so let's pass the savings on too.

RESULT:	CARRIED AS AMENDED [6 TO 1]
MOVER:	Tom Martinbianco, Councilman
SECONDER:	Danny Wells, Councilman
AYES:	Martinbianco, Haskins, Heffner, Wells, O'Keefe, Smith
NAYS:	Conley

- 9 (A). Approve and authorize the Treasurer to adjust the City of Burton's water usage commodity charge from \$6.48 to \$6.67 per 100 cubic feet (includes system losses) in accordance with the pass through increase from Genesee County Water and Waste of \$0.18 per 100 cubic feet of usage.

RESULT:	CARRIED [6 TO 1]
MOVER:	Vaughn Smith, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, Haskins, Heffner, Wells, O'Keefe, Smith
NAYS:	Conley

9 (B). Approve and authorize the Treasurer to adjust the Readiness To Serve charge per meter on all active residential, commercial and industrial metered water accounts to be increased \$3.98 monthly.

RESULT:	CARRIED [5 TO 2]
MOVER:	Vaughn Smith, Councilman
SECONDER:	Dennis O'Keefe, Councilman
AYES:	Haskins, Heffner, Wells, O'Keefe, Smith
NAYS:	Martinbianco, Conley

K. TABLED ITEMS

1. Resolution to adjust the City of Burton's water use charges in accordance with pass through

Motion to untable Item K, #1 and add to the agenda as item #9.

RESULT:	CARRIED [6 TO 1]
MOVER:	Vaughn Smith, Councilman
SECONDER:	Dennis O'Keefe, Councilman
AYES:	Martinbianco, Haskins, Heffner, Wells, O'Keefe, Smith
NAYS:	Conley

Meeting was adjourned at 10:26 PM.
