



CITY OF BURTON
BURTON CITY COUNCIL MEETING
JUNE 27, 2017
MINUTES

Council Chambers

Special Meeting

5:30 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Dennis O'Keefe at 5:40 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Absent	
Duane Haskins	Councilman	Absent	
Steven Heffner	President	Excused	
Steven Hatfield	Councilman	Excused	
Christina Conley	Councilwoman	Excused	
Dennis O'Keefe	Councilman	Present	
Vaughn Smith	Councilman	Absent	

B. STAFF PRESENT

Paula Zelenko, Mayor
Teresa Karsney, Clerk
Sue Warren, Human Resources

Rik Hayman, Chief of Staff
Ginger Burke-Miller, Controller
Sergeant Jones

C. AUDIENCE PARTICIPATION

None

D. ADMINISTRATIVE REPORT

Mayor Zelenko stated we do not have a quorum tonight and therefore no action can be taken. We are at liberty to have discussion. Before you is a letter I would like to read into the record the following:



City of Burton

4303 SOUTH CENTER ROAD • BURTON, MI 48519

PHONE (810) 743-1500 • FAX (810) 743-5060 • www.burtonmi.gov

June 27, 2017

Dear President Heffner and Members of the City Council:

Like you, Mr. President, I take no pleasure in the fact that we are here tonight still working on a budget on which we all can agree.

Last night, at the June 26th Special Council Meeting, you questioned why we're at this point.

If the council will indulge me for a few minutes, I'd like to offer my perspective so that we might be able to move forward tonight. While I will speak frankly, I intend no disrespect to any council member, employee, or member of the public.

The Official Charter of the City of Burton requires the Mayor to propose a balanced budget to City Council on the first regular council meeting in April. That was done. The budget was proposed with the general operating revenues at a rate of 4.707 mills. That millage rate was used because historically it has been the revenue rate used in planning the future services and projects for the city. Moreover, it reflected council's intentions stated on June 20, 2016 that the 4.0 rate would be evaluated next year (2017) for the need to raise it back to 4.707 in the FY 2017-2018 budget. At no time did council indicate at any of their meetings between June 20, 2016 and April 3, 2017 an intention to stay at the reduced levy of 4.000 mills.

On April 17, 2017, the City Council voted to set the general operating millage rate at 4.000 mills. This reduced revenues by approximately \$378,000.00 for FY 17-18 and brought the two-year shortfall to approximately \$743,000.00.

While I believe lowering the general operating levy at this point is damaging to the city and greatly restricts the city's ability to provide the services that our citizens expect and deserve, I understand and acknowledge the Council's authority to do so. I feel compelled, however, to add that statements made by one or more of you that the levy should be lowered because your re-election meant that, and I quote, "the people spoke loud and clear", end quote, that they wanted a tax cut is an assumption not supported by fact. The people also spoke "loud and clear" that they want our roads fixed, yet council did not see fit to include sufficient money to address that mandate. I believe it is reckless to lower revenues to score political points. I don't like it and I would not be doing my job if I did not voice my objection. However, I respect and accept the City Council's authority to set the rate of the levy.

Equal Opportunity Employer Michigan Municipal League Member



Now let's talk about the budget and the budget process. On June 15, 2017, just like we have done the past couple of years, the controller and I presented an updated version of the proposed budget. The update incorporated the majority of the City Council's recommendations. There were, however, a few recommendations that we could not include based on conversations with the city's auditor. The administration also made some painful additional reductions in other areas to meet the threshold of our fund balance policy. Among those were limiting the number of vacancies we could fill, which was designed to avoid laying off any current employees. At the meeting, it was my hope to discuss the update with the city council. Inexplicably, I was abruptly silenced and not afforded any opportunity to advise city council or work collaboratively to establish a budget that would meet the operations we are committed to provide. That is the difference, Mr. President, with previous years when the budget process was collaborative. In the past, council has recommended changes and the mayor has consented and vice versa. Budgets are negotiated, and in most cases, with neither side getting everything they want. That is how a collaborative process works and a compromise is reached. The city attorney opined that council adopted a budget in the same manner as they have in the past. I respectfully disagree.

Historically, the city's administrations have allowed for collaborative work sessions; the administration to explain the needs of the appropriations in the mayor's proposed budget and the city council to voice any concerns and make recommendations. This year, this council chose to propose and approve a budget utilizing parts of the initial proposed budget along with deliberate retaliatory reductions and punitive conditions without collaboration and agreement from the administration. THAT is the difference and I believe that the law supports that in a strong mayor form of government, city council does not have the authority to unilaterally make changes to the mayor's proposed budget and then approve that budget without the acceptance from the mayor. Much like the U.S. and State of Michigan Constitutions, when the City Charter does not expressly give a legislative body a particular authority that body does not have that authority.

As Mayor and CEO, I cannot, in good conscience, accept the budget that Council believes they approved on June 19, 2017. Last night, this council threatened legal action to force me to accept this budget. I was accused of playing games. For the record, I am not now nor have I ever been playing games. I take my job seriously because the quality of the lives of our citizens depend on the services this city provides. I do recognize the delicate financial situation the city is in and I believe we were trending in the right direction. We ARE making headway with our pension and OPEB unfunded liabilities through the collective bargaining process and through the additional lump sum payments. It is slow and it will take several years to accomplish, but we were on track until the lowering of the general operating levy that compromises progress and affects the direction of the trend.

If legal action comes, so be it. Court rooms exist to resolve disputes. Like you, I find it sad and wasteful to have to litigate a matter that might be resolved by putting aside egos and politics.

So, if the Controller and I can have the courtesy of your full attention, patience, and respect for about thirty minutes, we can pick up where we left off on June 15, 2017. The attached budget report is the same report that you refused to acknowledge on June 15th. The report gives you comparisons - FY 2015-16 audited activity, FY 2016-17 original, amended, and projected activity, as well as the original proposed FY 2017-18 budget at 4.707 mills general operating rate and the last column reflects the FY 2017-18 budget at 4.000 mills general operating rate incorporating the majority of council recommendations and additional reductions proposed by the administration.

In addition to the general operating 4.000 mills, this budget includes the voted police 8.4876 mills; voted fire 1.000 mill; a \$127.20 per unit rubbish removal fee on all residential improved parcels and those other parcels that utilize the service; a property tax administration fee of 1% on all tax statements and additional 4% late penalty charge when delinquent. Once again, in building this budget, we worked to maintain a balance between keeping a healthy financial posture and addressing critical needs including public safety, infrastructure improvements, and continuing to pay down unfunded liabilities.

The city council, through workshops, had discussions for possible reduction of expenditures. The majority, but not all, of those recommendations have been incorporated in this second FY 17-18 budget proposal. The recommendations we did not include are explained below:

- The \$57,000.00 reduction from the City Hall Building Improvements line was not in the initial proposed budget so it is not there to cut. The same is true with the \$111,000.00 from general fund 2016-17.
- The \$26,000.00 from the Senior Center Equipment Rental line, as written in the finance chairman's summary, may be a simple typographical error because it would eliminate the entire amount of the line item. Without appropriating equipment rental in the Senior Center Department, we will not be able to provide snow removal and lawn mowing to the Senior Center. Even though the line item has been reduced to \$20,000.00, a budget amendment may be needed.
- As confirmed by the city controller and city auditor, generally speaking, non-governmental funds (such as Motor Pool, Rubbish, IT, Water, Sewer) can only be used for those specific purposes. Therefore, the available cash in the motor pool, rubbish, IT, water, sewer, and Act 51 road funds cannot be used to fund a special road account so these recommendations are not included in this budget update.

In order to meet the fund balance policy for the general operating fund, we have had to make \$231,300.00 in additional reductions. The additional reductions have come from the following areas: MAYOR, COUNCIL, ASSESSOR, CLERK, ELECTION, CONTROLLER, CITY HALL, PUBLIC SERVICE, PARK AND RECREATION, and TRANSFER TO POLICE FUND.

Let me close by reminding everyone that I work for the citizens of this city, not the City Council. I have a duty to advise the City Council and provide you with the information you need to make legislative decisions to the best of my ability. I have always done that and will continue to do so

as long as I hold this office. I am entitled to my opinion, I have the right to express it freely, and I have the duty to voice it publicly.

We also have a duty to uphold not just the Charter, but the State and Federal Constitutions. That includes the separation of powers of executive and legislative branches of government. I have a duty to protect the powers of this strong mayor executive office and you the legislative processes of the city council. By allowing the over-stepping of authority by the majority members of this City Council without taking a stand, I would be doing a grave disservice to future mayors. As I look around this room, I believe I am the only person present who has held office in the legislative branch and the executive branch. These are two very different positions with very different responsibilities and the powers must remain separate in order for democracy to work. When the lines become blurred, as I believe they have, reckless decisions take the place of effective communications and that ultimately tears down the community.

Please feel free to contact me should you need any further information.

Respectfully submitted,



Mayor Paula Zelenko

E. COUNCIL ACTION

1. Discussion and possible action on the Mayor's Proposed Budget for Fiscal Year 2017-2018.

Mr. Hayman stated from Attorney General Bill Schuette Open Meetings Act Handbook; "If a public body properly notices the meeting under the Open Meetings Act, but lacks a quorum when it actually convenes, the board members in attendance may receive reports and comments from the public or staff, ask questions, and comment on matters of interest."

Meeting was adjourned at 5:52 PM.



Burton City Council
4303 S. Center Road
Burton, MI 48519

Meeting: 06/27/17 05:30 PM
Department: City Council
Category: Discussion
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

E.1

SCHEDULED

AGENDA ITEM (ID # 3119)

DOC ID: 3119

Discussion and possible action on the Mayor's Proposed Budget for Fiscal Year 2017-2018.

COMMENTS - Current Meeting:

Mr. Hayman stated from Attorney General Bill Schuette Open Meetings Act Handbook; "If a public body properly notices the meeting under the Open Meetings Act, but lacks a quorum when it actually convenes, the board members in attendance may receive reports and comments from the public or staff, ask questions, and comment on matters of interest."

ATTACHMENTS:

- Special Meeting 06-27-17 (PDF)



PAULA K. ZELENKO
Mayor

City of Burton

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2017 JUN 16 PM 4:59

CLERK'S OFFICE

June 21, 2017

Mr. Steven Heffner, President
Burton City Council
4303 S. Center Road
Burton MI 48519

Dear President Heffner:

Upon the advice of counsel, I am returning to you the FY 2017-18 Budget adopted by the Burton City Council on June 19, 2017.

Rather than accepting or rejecting the FY 2017-18 budget proposal that I submitted to the Council, the Council unilaterally altered and amended some provisions of my budget proposal without my permission or consent and adopted a FY 2017-18 budget. I have declined either to veto or accept the FY 2017-18 budget for the reason that there is no authorization in the Charter of the City of Burton for the City Council to initiate its own budget amendment proposals or to alter or amend those submitted by the Mayor.

With all due respect, in efforts to collaborate a valid FY 2017-18 budget by July 1, 2017, I have scheduled a Special Meeting of the Burton City Council for Tuesday, June 27, 2017 at 5:30 pm.

Sincerely,

Mayor Paula Zelenko

CC: Burton City Council Members
Amanda Doyle, City Attorney