



CITY OF BURTON
BURTON CITY COUNCIL MEETING
MAY 22, 2017
MINUTES

Council Chambers

Special Meeting

7:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 7:08 PM.

A. ROLL CALL

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

B. STAFF PRESENT

Rik Hayman, Chief of Staff

Teresa Karsney, Clerk

C. ADMINISTRATIVE REPORT

None.

D. AUDIENCE PARTICIPATION

None.

E. COUNCIL ACTION

1. Approve and authorize the override of the Mayor's veto dated May 17, 2017: "To remove \$60,000 from 1001-6090-974.7049 (Park Project from FY 2016-2017 budget."

Mr. O'Keefe stated I want to make sure we are doing the right thing and that we are not in violation of the Charter. I have asked Attorney Doyle for legal advice and an opinion. She gave me a copy of the Uniform Budgeting and Accounting Act and a case example. Everyone should have a copy of this.

Mr. Smith said I would like to start with the January Revenue and Expenditure Report to show where we are on current, real and personal property taxes. What we budgeted for was \$2,096,000. Looking at the Mayor's amended budget as of April 30, 2017 we have collected \$1,976,000, we are still under funded by \$119,000. We are into our budget year at 83.29% and the actual amount of expenses is 84.74%. We are slightly over budget on the expenditures. We are not going to be able to make up the shortage of \$119,000 on June 30, 2017. We only have two main streams of income which is personal property taxes and the state shared revenue.

We are in a deficit budget.

Mr. Haskins stated if this council sets the budget and it's approved, hence any veto's etc., then it is up to the administration to live within the guidelines that this council has set forth. Are we expecting year end transfers?

Mr. Hayman said, yes.

Mr. Haskins said then my recommendation to the administration would be, with 5 weeks remaining, to get the budget under wraps and not have transfers. The budget was set forth by this council.

Mr. Hayman said thank you Mr. Haskins for your recommendation. It is my understanding that we are not in a deficit budget. The yearend transfers should rectify any deficit.

Mr. Haskins said if there are things that are not trending right, council should be made aware of that before the end of the year, or on a month to month basis. When we were on the line item budget that was not being run appropriately. Money was being spent before coming to council to ask for approval on it. You can't spend money that's not there. My recommendation would be to stay with the line item budget and hold the administration accountable. It is up to the administration and its department heads to know their budget and where it's going. If they are anticipating expenditures that are going to exceed that line item, they have to think about that before they spend it, or come to us before they spend it.

Mr. Martinbianco asked Mr. Haskins, did you think that was a proprietary thing that the accounting firm should have brought this to the council with an update and saying they are not following the proper procedure. Do you think our new accounting firm will be able to give us an update on a more regular basis? What are your expectations from the accounting firm to keep us informed?

Mr. Haskins stated if there is not enough money in a line item budget to do what they want to do, the controller should be letting them know that they need to go to council for this. It could also be a lack of awareness with the department heads. Administration has to be held accountable from the council as well. I would recommend that we go back to the line item budget again. It needs to be followed to the "T". Take each line item right down so that there is no extra money in there whatsoever. Anything extra could go into the fund balance or the general fund and use it on what we really need at that time.

Mr. Martinbianco suggested having our new accounting firm give an update on where we are at in the budget every quarter.

Mr. Hatfield said once our budget is set, it should be followed.

Mr. Martinbianco asked if we were under a line item budget under this circumstance, would the council have that authority to move that money without question or fail? We wouldn't even be here tonight under a line item budget if that were true. What is happening here is this, we have the opportunity to reassess things as they go, and the council says it's not moving in the direction we want so we're going to remediate

those assets and we're going to employ them someplace else, whether its roads, water, sewer, administration or whatever the case is. I don't understand why there would be a big issue to do that. Under section 7.6 (b) there is a little bit of leeway there. It states, should it appear that the revenues are less than anticipated, the council may, by resolution, reduce appropriations.

Attorney Doyle stated in that case I would think Budget Control, Section 7.6 (b) would apply, under the recommendation of the Mayor. The Mayor didn't give you a recommendation, but if you consider the monthly stats as her written recommendation or the written data then you follow it. But that wouldn't be unilateral. I don't think you can say, we're in a deficit so we're going to cut some money. I think the amount of money you cut has to reflect the amount of money you are in a deficit.

Mr. Haskins said regarding Attorney Doyle's written opinion, it is basically saying that this council is wrong in their actions. We have documentation providing otherwise. Nowhere in your opinion does it state that council isn't wrong as long the Expenditure and Revenue Report is what you're anticipating as the written recommendation or the recommendation set forth. It seems like it is bias in nature to go along with the administration. There are valid points to everything this council does here.

Mr. Smith said the Expenditure and Revenue Report should have been the first thing Attorney Doyle should have looked at before making her recommendation.

Mr. Hatfield stated this isn't about numbers per say, this is about law. The law is about specific numbers and as I read this, section (b) is about appropriating unappropriated funds and section (c) is about cutting expenditures. Based on section (c) I think we were within our rights to cut money to cover the deficit.

Mr. Smith said we have been balancing our budget by using our savings. This is not revenue. Revenue is what you put in during that time frame of the budget. Not taking it out of the prior year's savings. That's balancing it, but your revenues are under your expenditures.

RESULT:	CARRIED [5 TO 2]
MOVER:	Tom Martinbianco, Councilman
SECONDER:	Duane Haskins, Councilman
AYES:	Martinbianco, Haskins, Heffner, Conley, Smith
NAYS:	Hatfield, O'Keefe

2. Approve and authorize the override of the Mayor's veto dated May 17, 2017: "To decrease the FY 2016-2017 budget GL 4001-0000-903.0000 (Burton Memorial Parking Lot) from \$30,000 to \$10,000."

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

Meeting was adjourned at 7:55 PM.
