CITY OF BURTON

BURTON CITY COUNCIL MEETING

DECEMBER 7, 2020

MINUTES

Council Chambers	**Workshop**	**5:30 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 5:30 PM.

A. MEETING INFORMATION

Burton City Council Workshop
Hosted by Racheal Boggs

https://cityofburton.my.webex.com/cityofburton.my/j.php?MTID=mb1cbb4998813a88a148f9053edf59ee1
Monday, Dec 7, 2020 5:30 pm | 1 hour 30 minutes | (UTC-05:00) Eastern Time (US & Canada)
Meeting number: 126 053 4175
Password: CCW2020 (2292020 from phones and video systems)
3ec336592f8c4327a1df164c77b2260d

Join by video system
Dial 1260534175@webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-415-655-0001 US Toll
Access code: 126 053 4175

B. CALL TO ORDER

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

C. STAFF PRESENT

Duane Haskins, Mayor
Charles Abbey, DPW Director/HR
Racheal Boggs, City Clerk
Karen Moffitt, Controller
Matt Stanley, IT Department

Others Present:

Pam Hill, Plante Moran
Chris Gilbert, Plante Moran
Garrett Gauthier, Plante Moran

D. ADMINISTRATIVE REPORT

Mayor Haskins stated Pam Hill and the team from Plante Moran are here to give the audit presentation.

E. PRESENTATION

1. Presentation of the 2019-2020 Audit By Plante Moran.

   Plant Moran presented the following:

- Financial Statement (CAFR)
- Required Audit Communications (End of Audit Letter)
- Financial Statement Audit: Unmodified Opinion, No Accounting Standards Implemented FY2020
- Financial Highlights
- Internal Control Matters
- Recommendations & Upcoming Accounting Pronouncements: Fund Deficit Elimination Plan for Amy Street Capital Projects, Legislative Updates, GASB84 Fiduciary Activities, GASB87 Leases
- Sewer Fund Net Position
- Water Fund Net Position
- Legacy Costs
- Governmental Fund Revenue
- Tax Revenue Comparison for Residential Parcels
- Governmental Fund Expenditures
- Governmental Fund Balance & Components

F. COUNCIL DISCUSSION

Mr. Martinbianco asked who gave you the directive to put so much emphasis on our current millage levy compared to what it could be under the law? I found that in the letter of transmittal from the Mayor and Karen and it was particularly distasteful. There is no point in looking in the rear view mirror. The Council has made a decision and we are trying to share the growth our city has had based on the fact that we were able to reduce that millage. We lowered the millage rate to give it back to the people. The $1 million is over four fiscal years, correct?

Pam Hill said, that is correct. We made some tweaks to the slide this year so you could actually see how much has been saved each year. You are adding to fund balance and still have been able to save the residents almost $100 on average. The current administration wanted the graph to point out how much you have saved the residents.

Mr. Heffner asked about section one of the letter under internal control related matters. It speaks about cash receipts and payroll segregation. I don't see the two-signer check system. I don't believe we have followed the recommendation of a two party check system.

Pam Hill stated from a cash disbursement perspective, this is a best practice. When we look at internal controls we look at other mitigating factors that would help to offset the risk of only one signer. We were comfortable with all the other mitigating controls that are in place.

I know the Mayor is currently reviewing all the other recommendations that were in the old internal control reports and obtaining a status update from various department heads.

Mayor Haskins stated we are still going through all the details. Most of these, probably 90% have already been put in place.

Mr. Heffner would like to see something done with the two signer check system.

Mr. Smith commended the council and administration. We have turned around the negative situation in the water fund and seeing some benefits from that. It is not a politically popular thing but a financially prudent thing to discuss. We have made some tough but necessary decisions. In terms of legacy, we are turning a corner and trending in the right direction. Some of the money we are saving now is because of the extra $1 million we invest every year into MERS. We are turning the corner on OPEB. If we had not done this, it would not be making money for our day to day expenses. We have to make sure every dollar we spend makes money for us. If we can do this in a line-item way, I will support .707 mills, subtracting headlee out of it, to go toward legacy, either toward MERS or OPEB. In the end, in four or five years down the road, we will be in better shape, have more money to pay people and more money in fund balance. It is painful but we need to take a look at that.

Mr. Fenner stated Mr. Sneller had secured some money back from the State of Michigan. Is this reflected in the balance in the water fund?

Mayor Haskins stated we have not received it yet.

Meeting was adjourned at 6:05 PM.

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

SCHEDULED

Meeting: 12/07/20 05:30 PM
Department: Clerk's Office
Category: Presentation
Prepared By: Racheal Boggs
Department Head: Racheal Boggs

INFORMATION ITEM (ID # 4962)

DOC ID: 4962

Presentation of the 2019-2020 Audit By Plante Moran.

COMMENTS - Current Meeting:

Plant Moran presented the following:

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