CITY OF BURTON

BURTON CITY COUNCIL MEETING

MAY 9, 2022

MINUTES

Council Chambers	**Budget Workshop**	**6:00 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Steven Heffner at 6:00 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Vice President	Present	
Steven Heffner	Councilman	Present	
Vaughn Smith	Councilman	Present	
Gregory Fenner	Councilman	Present	
Christina Conley	Councilwoman	Present	
Greg Hull	Councilman	Excused	
Christina Hickson	Councilwoman	Late	6:37 PM

B. STAFF PRESENT

Duane Haskins, Mayor
Racheal Boggs, City Clerk
Charles Abbey, DPW Director/HR
Jodi Holbrook, Controller
Alice Bryce, Treasurer
Ryan Bertram, IT Director
Kirk Wilkinson, Fire Chief
Ann Abbey, Assessor

C. AUDIENCE PARTICIPATION

None.

D. BUDGET DISCUSSION

1. Budget Workshop Discussion

Mr. Heffner turned the meeting over to the Finance Chair, Mr. Martinbianco.

Mr. Martinbianco stated tonight we are going to move things around a little bit. We will discuss the Administrative Overview, 3-year forecast, IT Department and General Fund Departments. MERS, Healthcare and Supplemental will be covered at a later date, probably the first week of June.

<u>Administrative Overview</u>

Mayor Haskins stated the Controller did a good job at putting together the 3-year forecast. It is not much different than what we have done in the past except this is a 3-year, instead of a 5-year.

Ms. Holbrook stated the one thing that did change is the property tax amount. We typically do it at a 2% increase per year. I did it at a 3% for next year and back to 2% the two years following.

3-year forecast

Mr. Smith stated our fund balance is growing. The question becomes, how do we utilize this money? What are the plans moving forward on how this money is going to be used?

Mayor Haskins stated sustainability is the biggest question and we have discussed it for several years. Sustainability, meaning the skeleton crew we are working with trying to save money, budgeting money to fix roads, managing inflation costs, and prices increasing. We would like to keep doing the projects and move the city forward but we also need to be cognizant of what is going on in today's world.

Mr. Smith stated we have enjoyed a long period of growth in the stock market that has helped us to increase our fund balance with MERS. We still have to pay the pension. Normally, the return on our equity with MERS supplements what the city puts in to meet the obligations and grow the fund balance. Right now we are in a deficit situation. MERS is going to increase the required payment. If the equity does not produce income, MERS will come after us. I am asking the administration and the council to be cognizant of this.

Mr. Abbey stated it will definitely increase. None of us know how much. We are in a good place. Together, we have tightened things up and have grown the fund balance to a safe level. Keep in mind, we have had a good run here. We have been cutting back and trying to save everywhere we can. We are seeing the fruits of that but don't get lulled into thinking that we can run this fund balance down.

Discussion continued regarding MERS, projections, inflation, interest rates, senate bill, and whether or not to continue to make an extra payment to MERS.

Mayor Haskins cautioned the council about reducing the MERS payment.

IT Department

Ms. Holbrook outlined the line items in the IT Department proposed budget and indicated changes from last year’s budget.

Council posed the following questions regarding the IT budget:

Departmental training required including cybersecurity.
Depreciation expense on purchase of new computers versus leasing.

Mr. Bertram stated the lifecycle for the laptops and desktops is five years, monitors don't usually go bad so there is no lifecycle for them, servers and networks are about seven years.

General Fund - Revenues

Mr. Martinbianco stated I think we all understand the account structure and tax millage rates. We will begin with the revenues.

Ms. Holbrook provided an outline of the revenues in the General Fund and indicated any changes from last year's budget. Revenues are estimated using last year's Headlee rollback. It is usually late May to early June that we receive the current numbers from the county.

Council posed the following questions regarding the General Fund budget:
Tax chargebacks.

Location of ARPA funds in the budget.
Revenue appropriations increasing by $131,000.
Refunds and Rebates line item decreasing and what is included.

General Fund - City Council

Ms. Holbrook provided an outline of the City Council budget and indicated changes from last year's budget.

Council posed the following questions regarding the City Council budget:

Internal Control Review.

General Fund - Mayor

Ms. Holbrook provided an outline of the Mayor budget and indicated any changes from last year's budget.

Council posed the following questions regarding the Mayor budget:

Positions covered under Salaries Permanent.
Training line item, types of training, new employees and positions included.

General Fund - Election

Ms. Holbrook provided an outline of the Election budget and indicated changes from last year's budget.

Council posed the following questions regarding the Election budget:

Election Worker rate of pay and discussion on potential increase. Ms. Boggs stated the current rate is $140 for Election Inspector which is below the rate that other municipalities pay. Council voted to increase the fees per diem line item to $75,000.

Estimate for high speed tabulator for use in Absentee Board.

Training amount budgeted under elections.

Discussion ensued regarding increasing gas prices and auto allowances throughout the budget. Council voted to increase the auto allowance 20% in all departments throughout the budget.

General Fund - Assessor

Ms. Holbrook provided an outline of the Assessor budget and indicated changes from last year's budget.

Council posed the following questions regarding the Assessor budget:

Details about pictometery and how the county divides the bill amongst municipalities.

Mrs. Abbey stated Genesee County raised the rates for fly-over pictometery. It is a three year contract. Each municipality who participates pays a straight fee.

General Fund - Clerk

Ms. Holbrook provided an outline of the Clerk budget and indicated changes from last year's budget.

Council posed no questions regarding the Clerk budget.

Council went to recess at 7:21PM.
Council returned from recess at 7:34PM.

General Fund - Controller

Ms. Holbrook provided an outline of the Controller budget and indicated changes from last year's budget.

Council posed no questions regarding the Controller budget.

General Fund - Treasurer

Ms. Holbrook provided an outline of the Treasurer budget and indicated changes from last year's budget. The overtime line item needs to have $200 added due to a mistake of not carrying the number over.

Council posed the following questions regarding the Treasurer budget:

Office equipment needed.
Financial institutions used by the city.
Two party signature with Elga and recommendation of removing our account with Elga Credit Union.

Mrs. Bryce stated our checking account is through Huntington and we have savings accounts at many locations.

Ms. Holbrook stated we set up alerts with Elga so two people get alerts of all banking transactions. The auditors were satisfied with this solution.

General Fund - City Hall

Ms. Holbrook provided an outline of the City Hall budget and indicated changes from last year's budget.

Council posed the following questions regarding the City Hall budget:

Portion of City Hall being updated and including Council Chambers.
Carpet, paint and repairs in Council Chambers.
Replacement of chairs throughout the city.
Operation and needs for the Elevator/lift.
ERC/LED program.

Mayor Haskins stated updates include the heating and cooling system including the zone operation controls, carpet and floors throughout City Hall and exterior paint. We can include Council Chambers.

Mr. Heffner would like the administration to get a quote to purchase chairs for the city.

Mr. Abbey stated we have not been able to get contractors for the City Hall roof. It needs to be addressed. We plan to go out for bid. Conservatively, it is a $50,000 job.

City Council would like to get the bids for the roof and discuss this at the budget wrap-up session.

Mr. Abbey stated the elevator is functional now.

Discussion ensued regarding the community room, old Council Chambers area and employee break room.

Mr. Fenner asked the administration to send him a copy of the ERC/LED contract.

Discussion continued regarding the details of the ERC/LED contract.

General Fund - Public Service
Ms. Holbrook provided an outline of the Public Service budget and indicated any changes from last year's budget.

Council posed the following questions regarding the Public Service budget:

Explanation of the drains at large increase.

Ms. Holbrook stated we have tried to get more information from the county to do a better cost estimate for drains at large. They were not able to provide the information and instead sent the bill from this year.

Mr. Abbey stated we went out to bid for high weed mowing and no one submitted a bid. Then, we solicited for bids and have another bid opening next week. Because, we didn't get bids, the number we used for the budget is just a guess.

General Fund - Parks & Recreation

Ms. Holbrook provided an outline of the Parks & Recreation budget and indicated changes from last year's budget.

Council posed the following questions regarding the Parks & Recreation budget:

Events covered under the community events line item.
Kelly Lake refurbishment, maintenance of grounds and restrooms.

Ms. Holbrook stated Burton Youth League is under this line as well as holiday contest prizes.

Council discussion on the need for the community events line item considering all events already have their own designated line in the budget. Council decreased the community events line item to $1,000.

Mr. Abbey stated we can do a cost estimate for the restrooms.

Further discussion on Kelly Lake restrooms, security, seawall, beach area and overall maintenance or turning the park over to the county. Council would like an estimate for the seawall.

Mayor Haskins stated we will need to create a line item for Kelly Lake maintenance. Council agreed to create a line item pending an estimate provided by the administration. Further discussion will take place regarding Kelly Lake at the budget wrap-up session.

General Fund - Planning & Zoning

Ms. Holbrook provided an outline of the Planning & Zoning budget and indicated changes from last year's budget.

Council posed the following questions regarding the Planning & Zoning budget:

Amount of training each board attends.

Mr. Abbey stated the boards should go to a lot more training than they do. The last two years have been out of the norm because they didn't offer in person training.

Mr. Martinbianco stated the line item established for resurfacing the DPW parking lot has expired and will be retired. Are there any other capital outlays related to the general fund that are not in the supplemental budget?

Ms. Holbrook stated none that I am aware of.

General Fund - Transfers Out

Mr. Martinbianco stated the transfer to local streets has gone back down to $30,000 from $1.5 million.

Ms. Holbrook stated you did transfer the $1.5 million to go into the 50/50 shared assessments. There is still a balance for the one budgeted for this year that will be up for council discussion.

Discussion continued regarding the 50/50 match program for local streets.

Meeting was adjourned at 8:40 PM.

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Budget Workshop Discussion

COMMENTS - Current Meeting:

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