CITY OF BURTON

BUDGET MEETING

JUNE 15, 2015

MINUTES

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

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Tom Martinbianco at 5:44 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Late	5:41 PM
Duane Haskins	Councilman	Late	5:53 PM
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Late	6:36 PM
Ellen Ellenburg	Councilwoman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Teresa Karsney, Clerk
Robert Slattery, DPW Director
Marvin Epperson, Fire Chief
Tom Osterholzer, Police Chief
Bette Bigsby, Benefits
Rik Hayman, Chief of Staff
Ginger Burke-Miller, Controller
Sue Warren, Human Resources
Kirk Wilkinson, Assistant Fire Chief
Jean Johnson, Senior Center Director

C. AUDIENCE PARTICIPATION

Comments were received by City Council from the following people:

Danny Wells of Burton commented about the budget and microphones.

D. BUDGET DISCUSSION

1. Final discussion and recommendations on Fiscal Year 2015-2016 Budget.

   Mr. Martinbianco asked it there are any changes in state revenue since April.

   Mrs. Burke-Miller said she has not received any changes.

   Mr. Martinbianco asked in reference to property tax valuations, is the $6,521,000.00 a reliable estimate?

   Mrs. Burke-Miller said yes, it is a reliable estimate.

   Mr. Smilth asked regarding appropriations, what are Councils thoughts on department 1001- Council?

Mr. Martinbianco said contractual services are a concern. He is reluctant to put $95,000.00 into it and recommends amending it to $37,500.00.

Mrs. Ellenburg asked if the $95,000.00 was set aside for the master plan.

Mr. Smith said it was set aside for the sale of subdivisions. We need to set money aside from the balance of $49,000.00 from this year's current budget for a master plan. Remaining balance of $50,000.00 from contractual Services in the fiscal year 2015-2016.

Mrs. Ellenburg said she is in favor of setting money aside for a master plan. Other municipalities are getting grants because they have a master plan.

Mr. O'Keefe said we have made some good decisions regarding road, sewer and water. He concurs that we need to do more grant writing and he supports a master plan.

Mr. Hatfield stated we have been too long without a master plan and it is time have one.

Mr. Smith referred to the Charter under section 7.7, Paragraph D, Special accounts. He stated we can do a master plan to be proactive if we choose to.

Mr. O'Keefe said he would like to see a mid-year review. From time to time when we see something that needs to be changed, we need to change it. I don't think we should wait.

Mr. Smith asked if anyone has comments or suggestions on department 1071-Mayor.

Mr. Hatfield said he would like to see appropriations for other people broken down into a separate line item.

Mr. O'Keefe stated he agrees. He said employees and fringe benefits are our biggest expense and we need to view them better. He would like to see them broken down into a different general ledger line item by department including health care, pensions, and overtime.

Mrs. Ellenburg said she agrees. For instance if the DPW has a lot of overtime, maybe it would be beneficial to hire another person.

Mr. Hatfield agreed and said it would be beneficial to the administration for example, if you can break down the overtime you can justify hiring another employee.

Mr. O'Keefe said we need the current year approved budget with four columns and it is important to the public to have it posted to our website. He stated while looking at the Employee Information Report provided by the Mayor, he realized the five main managers of our city (Charter 5) are grossly underpaid. He stated our Police Chief has several employees under him that make more money than he does and that other cities and townships in Genesee County pay their Chief of Police the following

annually: Flint Township: $92,000.00. Grand Blanc City: $91,000.00 Grand Blanc Township: 105,000.00. In the five years that I have been here, I don't ever remember having a Charter Five increase come before this Council. To attract and maintain the best people, you have to be close to spot on with salary. I propose an increase to the Charter Five salaries. With the Mayors concurrence, the Council should reward the Charter Five people that we have currently in effort to retain them. He proposes a 5% adjustment with a 3% merit raise.

Mr. Martinbianco stated it would require an ordinance change. He also asked where Mr. O'Keefe would suggest they take the money from.

Mr. O'Keefe said the General Fund.

Mr. Martinbianco said they should take a look at it after the budget is in place.

Mr. O'Keefe said he doesn't want to wait. We talk about things for years and nothing happens. He said we need to have a plan and run this City like a business.

Mrs. Ellenburg said she agrees with Mr. O'Keefe. It's hard to get new people interested in the City of Burton because of our pay. You get what you pay for. Giving people an initiative to do good work brings morale up and encourages hard work.

Mr. Haskins isn't opposed to the change. He feels there are some other things that may be more of a priority.

Mr. Hatfield agrees 100% with Mr. O'Keefe. He is unsure about the timing but it definitely needs to be looked at.

Mr. Martinbianco said we have a great fringe benefit package.

Mr. Hatfield stated the fringe benefits in the past have been standard across governments in this county. The benefits offered through the current contract are not an enticement for employment. In fact, it has made it more difficult to hire employees. Offering healthcare to only the employee and not their family is not a standard practice.

Mr. O'Keefe said I hope the budget will not be stuck in a drawer after tonight. I hope we revisit it in the very near future.

Mr. Smith said the strategic thinkers and motivated individuals are going to leave to other areas where the pay is better. Mr. O'Keefe brings up some valid points. We want our Charter Five to be hungry.

Mr. O'Keefe said maybe the Mayor in the near future you can put together a peer group study to evaluate these underpaid individuals.

Mayor Zelenko stated we have done these wage comparisons and Mr. O'Keefe is correct and it's not only with the Charter Five. We are trying to change it that's why we have done some renegotiation and combining positions. We want our people to be able to come up through the ranks. They don't want to do that if they are being paid less as a supervisor. The comparisons we have are two years old. She stated

she will get some new wage comparisons through MML and she looks forward to having a Legislative meeting to get started.

Mr. Smith asked for comments or questions on department 1091- Elections.

Mr. Martinbianco asked about the division of salaries for the position of Record Tech in the Election Department and if the fringe benefits have increased because of that.

Mayor Zelenko said it is a quarter to the Clerk's Department, a quarter to the Mayor's Department, a quarter to the Water Department and a quarter to the Sewer Department. This is a position we filled and we are asking for approval to continue with the position. She stated the Records Tech position is spread across all four areas so the person can help with everything.

Mr. Haskins said there are two others upgraded to Records Tech as well, correct?

Mayor Zelenko said there was one other Records Tech hired to replace the position of Clerk/Typist. There was one Election Clerk hired to replace the other Election Clerk.

Mr. Martinbianco asked why we would call it anything different than a Clerk/Typist.

Mayor Zelenko said we have added more duties to the position.

Mr. Martinbianco asked if it was resolved under the union contract.

Ms. Warren said that is correct.

Mr. Haskins said that this never came before the Council. Whenever you change a union contract it has to come before Council and I'm going to stand firm by that 100%.

Mayor Zelenko said the position wasn't new. It was already in the contract.

Mr. Martinbianco said it would give you the ability to have different hourly rates for each position that's why it would have to come to City Council unless there was something already built into the budget where you could do it under salaries permanent.

Mayor Zelenko said these positions make less money than the former Clerk/Typist position.

Mr. Martinbianco asked why the union would allow that.

Mayor Zelenko said more and more people do their own typing and letters. She types her own. For that reason, she doesn't have a Secretary like the former administration had. Clerk/Typists, much like Secretaries are evolving. They are taking on different jobs. There's not as much dictation and letters to be done.

Mr. Smith asked for comments or questions about department 2009- Assessor.

Mr. Martinbianco asked for an update on the additions that are being made to this

department.

Ms. Warren said the Assessor is asking for an Appraiser 1 level position for an extra person out in the field to do Commercial and Industrial property appraisals. This is a level 3 Assessor type certification.

Mr. Smith asked for comments or questions regarding department 2015-Clerk.

Mr. Martinbianco asked for clarification on the change in fringe benefits.

Mr. Haskins asked about the increase in salaries permanent.

Mrs. Burke-Miller stated that is the one quarter of the Record Tech.

Mr. Smith asked for comments or questions regarding department 2023-Controller.

Mr. Haskins stated the Deputy Controller position was misquoted by $38,000.00. It should have been brought to Council.

Mr. Smith asked for questions or comments about department 2053-Treasurer.

There were no questions or comments regarding the Treasurer's Office.

Mr. Smith asked for comments or questions about department 2065-City Hall.

Mr. Martinbianco asked about IT Tech Supplies of $82,900.00 that were not incorporated into the IT Tech budget itself. We are recommending it come out of General Fund as opposed to it going to the other entities that are using them.

Mrs. Burke-Miller said the $82,000.00 is part of the $146,000.00 coming into the IT Tech on page 51. It gets added to all the other departments; Treasurer, Controller, Clerk, Elections, etc.

Mr. Heffner asked if we are making another $1,000,000.00 payment to MERS.

Mrs. Burke-Miller said it was in the proposed budget. It’s the payment on pension, UAL line item 956.0401.

Mr. Smith asked for comments or questions on department 2071-Public Service.

Mr. Martinbianco asked when the refund from Consumers Energy will be reflected.

Mrs. Burke-Miller said it just came through on our bill as a credit.

Mr. Matinbianco said we had budgeted $445,000.00 for street lighting so we can expect to have an extra $140,000.00 for this fiscal year go back to the General Fund from that line item.

Mr. Smith asked the administration if the line item should be $345,00.00 because of the credit.

Mayor Zelenko suggested recognizing $100,000.00 of it. Council agreed.

Mr. Heffner suggested an LED (Less Energy Dependent) Committee by putting LED lights throughout the neighborhood. He asked Mr. Martinbianco to take it into consideration.

Mr. Martinbianco said he will.

Mr. Smith asked how we could leverage the $100,000.00 to reduce our electrical bills further.

Mayor Zelenko stated we should look at where our largest usage of energy is and change out that equipment. She also added the street lights are owned by Consumers.

Mr. O'Keefe agrees with Mr. Heffner. He thinks this should be added to the post-budget meetings.

This meeting will continue during Council Discussion at the regular Council Meeting.

Meeting was adjourned at 6:55 PM.

Final discussion and recommendations on Fiscal Year 2015-2016 Budget.