



CITY OF BURTON

BUDGET MEETING

MAY 4, 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 5:30 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Ellen Ellenburg	Councilwoman	Excused	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Sue Warren, Human Resources
William Fowler, Assessor

Rik Hayman, Chief of Staff
Ginger Burke-Miller, Controller
Bob Slattery, DPW Director

C. AUDIENCE PARTICIPATION

None.

D. BUDGET DISCUSSION

1. Discussion on General Fund Revenue. Page 8

Mrs. Burke-Miller stated regarding the current real personal taxes, the 2014/2015 was budgeted at a lower rate according to our new audit firm. We discussed an allowance for uncollectable taxes and it appeared that past practice was too stringent, so we are not counting for as much being uncollectable as with prior years. Also incorporated were the state shared revenues in terms of the constitutional and CBTRS, which used to be called EVIP Revenue Sharing. Regarding the 3 ON 3 Basketball Tournament, the new owners at Courtland Center would not honor the agreement made between the City and the prior owner. So that event did not happen during the 2014/2015 fiscal year and there are no plans for the 2015/2016 fiscal year.

Mr. Martinbianco asked given what we have done with the employee healthcare and how they pay a portion of their health care plan under the hard cap, wouldn't that show up here as a revenue item? What is the total contribution amount from the employee's contribution for the last fiscal year?

Mrs. Burke-Miller said it is withheld from the employee's paycheck and put into a

liability account. When we cut the check to Blue Cross Blue Shield, then we relieve that account. I can give you the employee's contribution amount at a later time. We only account for the employer portion in our budget, we are not showing it as revenue in to offset. In the expenditure report, you will see the \$800,000.00 from the employer's portion, not the \$200,000.00 from the employee's portion. The employee's portion would be in the liability account and the employer's portion would come out of the employer expenditure line items for each department. The reimbursement income line is for if the City has expended money and we are recapturing some of that money. For example, if the Police Department provides an extra service above and beyond for a community event and the recapture some of that money it would fall into reimbursement income. We could get back money from MML, where we paid money up front and they give us back a dividend for monies that were not used. Another example would be if we were refunded money say from our health insurance because our employees did not use all of theirs.

Mr. Hatfield said there is a significant difference from activity of 2013/2014 being \$68,000 and we are up to \$95,000 now.

Mayor Zelenko stated we knew we were going to get some kind of refund on Consumers Power street lighting. That amount is around \$133,000.00. Also we had performance bonds that the City had collected and those ending up being recognized as revenue. Then we have \$23,000.00 received from MML back in September 2014.

Mrs. Burke-Miller said, with state revenue we get money that comes in, at the end of the fiscal year we get two payments that we accrue back. July of last year we accrued those back in to the prior fiscal year. Then you reverse it out when you're into the upcoming year. So in July/August it catches up when those amounts are accrued back in.

Mr. Martinbianco spoke regarding the Comcast franchise fees. He said we don't know yet if the Comcast contract can stand on its own this year. If it does not, we may need to renegotiate with Frontier, Charter or someone else that would like to take over the franchise agreement.

2. Discussion on Assessing Department Budget. Page 9

Mrs. Burke-Miller stated we have built into the Assessor's budget a request for an Appraiser 1 full time position.

Mr. Fowler said we anticipate that we will be establishing a new baseline for the department. We are now into 5 year projections. The Assessment administration field is now under recommendations from the state level that we review all of our assessment records in a five year period. This is a very large task with the staff that we have now. We will be looking at 15,000 to 17,000 commercial/industrial parcels in a five year period. This would be on top of maintaining our normal activities within the office and serving the public. According to the state review we will also be looking at land value documentation that was found inefficient.

Mr. Martinbianco asked when does this stop being a City function and start being a State function to assess land value. The state is doing their own auditing compared to what we have.

Mr. Fowler stated the AMAR (Analysis Minimum Assessment Requirement) was conducted county wide. They came to the local units, took a 1% sample of all the parcels and did field inspections to test the accuracy of those records. Based on this sample we were within the allowable perimeters. But there were certain things in the database that were not compliant. Land value came up as an item of concern. There were certain items that previous assessing officers had entered into the system, making adjustments without reason or explanation as to why the adjustment was made. Those have to be clarified. Our reviews of land value must be brought into compliance. Also our land value maps that we maintain here at City Hall must be updated on an annual basis. The City fared somewhat positive on the AMAR results but there are some things that we have to clean up and tighten up in accordance with their review. We also have to do our daily activities that we do now. For the five year project, we will be looking at 20% of the parcels within the city to verify that our records maintain the accuracy and correctness that is required. The state sample was only on residential properties. They didn't do commercial, industrial or personal property. Our review that we will be doing will include all aspects of parcels within the City. This will include residential, commercial, industrial and annual canvassing for personal property within the City.

Mr. Martinbianco asked do we have a count on how many improved residential parcels we have in the City?

Mr. Fowler stated we have 12,715 residential parcels.

3. Discussion on Treasurer Department Budget. Page 9-10

Mrs. Burke-Miller stated for the Treasurer Department Budget there is not any change between the 2014/2015 projected and the Mayor recommended budget.

Mr. Haskins asked, shouldn't the postage be dropping down now? I have noticed the postage has increased.

Mayor Zelenko stated we have been taking on extra duties and commitments, especially to the residents that are franchised water customers through the City of Flint. The City of Flint will give us any notices that they send out to their residents so that we can be sure our franchise customers receive the same notice. We send out tax bills, which are contracted out, so some of those charges will increase it also.

4. Discussion on Controller Department Budget. Page 9

Mrs. Burke-Miller reported last year we appointed a Deputy Controller. This position was initially an AFSCME union position. We made the decision to bring her in under SEIU union. For the current fiscal year, the MERS percentage was approximately 284% of the person's salary. In the upcoming budget it was 169% for SEIU. Our active employee's bear a lot of the cost of the MERS system because of the retiree's. It's based on a percentage of active employee's salaries.

Mr. Martinbianco asked how about the overtime figures.

Mayor Zelenko stated the Controller doesn't get overtime, just the Deputy Controller and Senior Accountant.

Mrs. Burke-Miller said we really don't anticipate much overtime between the Deputy

Controller and Senior Accountant in the future.

Mr. Hatfield asked how many SEIU employees we have and if they are all at 284% of their salary.

Mrs. Burke-Miller said we have five SEIU employees. They were at 284% of their salary for the current year. Now it is more like 169% because more salaries were added to that union.

5. Discussion on Election Department Budget. Page 8 - 9

Mrs. Burke-Miller reported salaries permanent varies because of employment changes during the current year. In the Mayor's proposed budget for 2015/2016 we anticipated a full staffing level of two full time employees'.

Mr. Martinbianco said their classification is Election Clerk, with 25% dedicated to Clerks office and 75% dedicated to Elections. And there is a proposal to bring in a third Records Tech with 25% split between the Clerk, Mayor, Water and Sewer Departments. Why is this split this way?

Mayor Zelenko stated we just had a state inspector come in and all of our paper records need to be digitized to be in compliance.

Mr. Smith said I took a tour through DPW last week. There are mountains of paperwork stacked in boxes to the ceiling. If we had a fire, we would be in trouble. I think we should all take a tour of the DPW buildings.

Mr. Martinbianco said I would like to see what other Cities have done with their paperwork. They have to be operating under the same thumb that we have been under. We should not be expected to, at the drop of a dime, invest in this research technology to upload all of that information. It would take so long even to transfer one box of that to digital form and the cost would be astronomical.

Mayor Zelenko replied we are already doing this in some areas. We have technology, the scanner; you have already approved the GIS which we are working on. Now it's a matter of storing those electronic records. The inspector did not cite us on this; he just wants to see progress. So as long as we keep making progress we will get there.

6. Discussion on Clerk Department Budget. Page 9

Mrs. Burke-Miller stated the Clerk's office is split between Clerk and Elections. The figure for office equipment was \$20,000.00 for IQM2.

Mr. Haskins asked why the fringe benefits went up to \$31,500.00.

Mrs. Burke-Miller replied this figure has gone down quite a bit due to the changeover in personnel. It did jump up based on the personnel that we have now and adding the Records Tech's 1/4 of salary and fringe benefits.

Mayor Zelenko stated if you look at the 2012/2013 proposed budget for last year for the Clerk's Department you will see that the audited numbers for fringe benefit was actually \$64,500.00. We had anticipated \$70,000.00, and recommended

\$73,000.00. We had a Clerk that was flying solo for a couple of months. And previous to that we were operating without a clerk. When you take all that into consideration, the \$81,000.00 in the budget is not as far off as it would seem.

7. Discussion on Council Budget. Page 8

Mr. Smith asked about the \$95,000.00 under contractual services. It was my understanding that money was set aside in case we sell some of the subdivisions. Wouldn't we have that money paid out of proceeds?

Mrs. Burke-Miller replied I assumed we were going to structure a deal like we did with Trailridge and Pebblecreek where we said we would sell the property. The sales price was \$560,000.00. The Remax Grande Realtor took his \$40,000.00 proceeds out of the proceeds. We told the developer that we would pay down the special assessments on all those properties. We cut a check out of general fund. When our Treasurer input the information, he was entering the net proceeds from the sale to Remax Grande and we had to make up that difference as an expense. Any legal charges are offset against City Council's budget. That is why I have budgeted for the \$95,000.00. We had Remax Grande talking about selling the remaining properties in the other two subdivisions. We were estimating his realtor fee to be around \$95,000.00.

Mr. Smith would like to have a note put in there to where if this sale does not happen, that we could use the money toward a Master Plan. We need a master plan.

Mayor Zelenko stated yes we could do that. We do not have a Master Plan by today's definition. We have a Land Use Plan, which doesn't have a vision and meet the statutory requirements. A Master Plan will take around 18 months to do so the money could be split between two fiscal years. I think this is a very good idea.

Mr. Heffner asked why the amount for the information tech supplies was so different. For 2013/2014 activity was \$2,200.00. For 2014/2015 activity was \$2,700.00 and Mayor's recommended budget for this year is \$27,000.00.

Mayor Zelenko stated when they calculate out I.T. costs, part of that formula is for workstations. We not have 10 new work stations that we didn't have last year at \$2,700.00 per unit and the upkeep of that, such as licensing fees. I can get a breakdown of what this entails. Also, other areas have gone down due to work stations no longer being there, not being available and associated costs have been reduced.

Mr. Smith asked for more information on the Master Plan.

Mr. Martinbianco would also like more information on the requirements of having a Master Plan.

8. The following items that were not discussed and will be on the next agenda May 13, 2015 at 6:30 p.m.

9. Discussion on City Hall Budget. Page 10

10. Discussion On Public Service Budget. Page 10

11. Discussion on Transfers Out Budget. Page 11
 12. Discussion on Self-Insurance Budget. Page 55
 13. Discussion on Mayor Department Budget. Page 8
 14. Discussion on Water Department Budget. Page 49
 15. Discussion on Water Department Asset Request Budget. Page 57
 16. Discussion on Sewer Department Budget. Page 47
 17. Discussion on Sewer Asset Request Budget. Page 57
 18. Discussion on Planning Department Budget. Page 10
 19. Discussion on Zoning Department Budget. Page 11
 20. Discussion on Building Department Budget. Page 30
- Meeting was adjourned at 6:55 PM.



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.1

SCHEDULED

AGENDA ITEM (ID # 1558)

DOC ID: 1558

Discussion on General Fund Revenue. Page 8



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.2

SCHEDULED

AGENDA ITEM (ID # 1559)

DOC ID: 1559

Discussion on Assessing Department Budget. Page 9



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.3

SCHEDULED

AGENDA ITEM (ID # 1560)

DOC ID: 1560

Discussion on Treasurer Department Budget. Page 9-10



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.4

SCHEDULED

AGENDA ITEM (ID # 1561)

DOC ID: 1561

Discussion on Controller Department Budget. Page 9



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.5

SCHEDULED

AGENDA ITEM (ID # 1562)

DOC ID: 1562

Discussion on Election Department Budget. Page 8 - 9



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.6

SCHEDULED

AGENDA ITEM (ID # 1563)

DOC ID: 1563

Discussion on Clerk Department Budget. Page 9



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.7

SCHEDULED

AGENDA ITEM (ID # 1564)

DOC ID: 1564

Discussion on Council Budget. Page 8



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.9

SCHEDULED

AGENDA ITEM (ID # 1565)

DOC ID: 1565

Discussion on City Hall Budget. Page 10



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.10

SCHEDULED

AGENDA ITEM (ID # 1566)

DOC ID: 1566

Discussion On Public Service Budget. Page 10



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.11

SCHEDULED

AGENDA ITEM (ID # 1567)

DOC ID: 1567

Discussion on Transfers Out Budget. Page 11



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.12

SCHEDULED

AGENDA ITEM (ID # 1568)

DOC ID: 1568

Discussion on Self-Insurance Budget. Page 55



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

D.13

SCHEDULED

AGENDA ITEM (ID # 1569)

DOC ID: 1569

Discussion on Mayor Department Budget. Page 8



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.14

SCHEDULED

AGENDA ITEM (ID # 1515)

DOC ID: 1515

Discussion on Water Department Budget. Page 49



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.15

SCHEDULED

AGENDA ITEM (ID # 1516)

DOC ID: 1516

Discussion on Water Department Asset Request Budget.

Page 57



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.16

SCHEDULED

AGENDA ITEM (ID # 1517)

DOC ID: 1517

Discussion on Sewer Department Budget. Page 47



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.17

SCHEDULED

AGENDA ITEM (ID # 1518)

DOC ID: 1518

Discussion on Sewer Asset Request Budget. Page 57



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.18

SCHEDULED

AGENDA ITEM (ID # 1519)

DOC ID: 1519

Discussion on Planning Department Budget. Page 10



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.19

SCHEDULED

AGENDA ITEM (ID # 1520)

DOC ID: 1520

Discussion on Zoning Department Budget. Page 11



Budget
4303 S. Center Rd.
Burton, MI 48519

Meeting: 05/04/15 05:30 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa McCrea
Department Head: Teresa M. Karsney

D.20

SCHEDULED

AGENDA ITEM (ID # 1521)

DOC ID: 1521

Discussion on Building Department Budget. Page 30
